France: Mitterrand bids for the middle ground, Page 16

**EUROPE'S BUSINESS NEWSPAPER** 

No. 29,548

Tuesday February 12 1985

D 8523 B

#### World news

Business summary

### Arafat and People Hussein in Express **Palestine** suffers peace bid \$9m loss

that the Palestinian problem was the root cause of instability and tur-moil in the Middle East. He said: "I hope your Administration will sup-port the just cause of the Palestini-an people."

DOLLAR rose in London to DM 32750 (DM 3.2575); FFr 9.99 (FFr 9.94); SwFr 2.7940 (SwFr 2.7750); Y261.60 (Y280.85). On Bank of Eng-land figures, the dollar's exchange

an people. President Reagan said the legitimate rights of the Palestinians should be addressed in direct negotiations – a reference to U.S. hopes that King Hussein will enter talks with Israel Page 18

#### Solidarity split

Solidarity leader Lech Walesa called for indirect protests against food price rises instead of a 15minute national strike urged by underground leaders of the banned trade union. His statement dis-closed a split with the clandestine

#### Glemp charge

Cardinal Jozef Glemp accused Po-land's Communist authorities of waging an ideological struggle against the Roman Catholic Church and said he would defend priests threatened with imprisonment.

#### Spy suspects

Thirteen suspects in India's spy scandal, arrested with three others three weeks ago, were remanded in custody by a magistrate until February 22.

#### Israelis bomb base Israel said its jets bombed a Pales-

#### Kampuchea plea

Foreign ministers of the Association of South East Asian Nations LONDON gilts were lower called for more military and political support for Kampuchean guer-

#### Anti-terror move

and the same

New 19.2

- 7:2:3

5 A.A.I

Italy is pressing EEC partners for a meeting of home affairs ministers to discuss ways to combat terrorism in Europe. Page 18

#### **New Zealand stance**

New Zealand will not become nonaligned or neutral. Prime Minister David Lange said. He said it was committed to "western values, Australia, the U.S., our traditions and .

#### Oll price forecast

World oil prices will fall further, possibly below \$25 a barrel, over the next two years, a senior energy specialist from the U.S. State Department told an oil conference in ucts. Page 29

#### South Africa clash

South African police fired rubber bullets and tear gas at about 3,000 black students who rampaged through Secisoville township in the Orange Free State, setting houses and vehicles on fire.

Mozambique floods Southern Mozambique, devastated

### by drought for the past four years, has been hit by floods which are

threatening crops and animals. Servicemen killed

#### Eighteen RAF musicians were

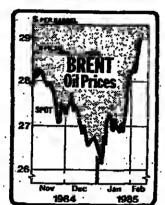
burned to death, their West German driver died and 23 others were injured when their bus collided with an aviation fuel tanker on the motorway Nuremberg Munich south of Ingolstadt, Bavaria.

King Hussein of Jordan and PLO leader Yassir Arafat agreed the framework of a joint bid for a "just, peaceful settlement of the Palestinian issue."

Meanwhile, King Fahd of Saudi Arabia began a state visit to the U.S. by telling President Reagan that the Palestinian problem was the root cause of instability and turn.

index rose to a record 150.3 from 149.3. Page 39

STERLING fell 1.40 cents in London to close at \$1.0965. It also fell to DM 3.5925 (DM 3.6350); FFr 10.94 (FFr 11.04); SwFr 3.0650 (SwFr 3.08) and Y286.75 (Y289.50). The pound's exchange-rate index fell to 71.1 from 71.8. Page 29



SPOT OIL prices rose sharply in re-sponse to renewed cold weather in Europe and a shortage of light crudes for early delivery. Brent blend gained 40 to 50 cents a barrel to trade at its highest level for six months. Spot prices, Page 38

GOLD rose \$0.75 on the London bultimian base in east Lebanon for the lion market to close at \$300.00. It second day maning Syria and fell in Zurich to \$380.00 from many civilians, including children, were killed.

Suppose the context of the context was \$300.50. In New York, the Context was \$305.30. WALL STREET: The Dow Jones in-

dustrial average was down 15.24 at 1,274.73 at 3pm. Section III

cern about sterling, while equities closed slightly firmer with the FT Ordinary share index up 2.6 at 991.1. Section III

TOKYO stock market was closed for a boliday.

NORWAY will increase its crude oil price by \$1 a barrel in February, although longer-term trends still indicate a fall when the cold weather ends, sources in the state-owned oil company Statoil said.

AID totalling Ecu 111m (\$63m) for 32,400 displaced steel and coal workers in all EEC countries except Greece and Ireland was announced yesterday by the European Com-

DSM, the Dutch state-owned chem icals company, will begin produc-tion in July at a powder coatings resin plant in Spain as part of an increasing emphasis on special prod-

CANADIAN PACIFIC, resources and transport group, last year raised net profits to C\$375m (\$253m) from C\$143m. Page 19

MANUFACTURERS Trust's Spanish subsidiary has entered the country's list of top 10 earners after a 32 per cent profit rise to Pts 3.66bn (\$20.5m). This is the first time a foreign bank has en-tered the list since Spain opened its doors to international competition six years ago. Page 20

PLANNED merger between Ger man steel manufacturers Krupp Stahl and Klöckner-Werke, involving Australian mining group CRA as a partner, might still fail, according to the Economics Minister in North Rhine Westphalia state.

NORINCO, China's main weapons producer, became the country's fifth biggest export earner last year with foreign sales totalling \$1.6bn, a Chinese business newspaper said. I the firms are big suppliers of Marks ish goods, ranging from sport jack-ably against the dollar.

# EEC doubts over intervention as \$ hits new peaks

BY MAX WILKINSON IN LONDON AND QUENTIN PEEL IN BRUSSELS

THE DOLLAR surged to record lev-els yesterday against most main European currencies amid concern from EEC finance ministers about the failure of any co-ordinated intervention to dampen its rise.

Dealers said demand for the dol-

lar continued from all sides although trading was not especially

The dollar rose almost 2 Pig against the D-Mark in London, to close at DM 3.275, its highest level for 13 years. It pushed the pound to a record low of \$1.0965 and reached record levels against the French franc and Italian lira. It continued strong in early New York trading, briefly breaching the FFr 10 level for the first time.

Dealers reported little evidence

of central bank intervention in the new developments that might exbelief that the five leading industrifrom the attractiveness of high inal powers were disillusioned about
terest rates in the U.S.
the possibilities of a concerted atIn Brussels yesterday, EEC fitack on dollar speculation.

Last month in Washington, the at the continuing imbalance in the U.S., West Germany, France, Brit-international money markets and ain and Japan agreed to a co- the failure of intervention to re-ordinated selling of dollars to try to strain the U.S. currency.

DOLLAR

the exchange markets, I think the ministers' opinions would not differ much from the opinions of ordinary citizens. Very few people have no-ticed the decisions taken in Wash-

sion was that the strength of the dollar indicated the international opinion about the strength of the U.S. economy, and Europe must try Dealers yesterday reported no to match U.S. economic growth. "I do not think we should incurrency markets, and a mounting plain the surge in the dollar, apart crease tension by complaining at belief that the five leading industrifrom the attractiveness of high inthe Americans, but encourage that the five leading industri-

to seek solutions so that the imbalance in the money markets can be brought back to balance," he said. nance ministers expressed concern In early trading in London, the pound held up fairly well against the onslaught of the dollar, but by

exchange markets.

Sig Giovanni Goria, the Italian

Finance Minister and chairman of

the meeting, said afterwards that "even agreements between major

countries have proven to be very

fragile.
"If we look at the turn taken by

ington.\*
Sig Goria said the general conclu-

Continued on Page 18 prevent the continued overshooting of the dollar.

The U.S., however, was always lukewarm about the idea, and does I strain are 0.5. Currency.

In informal discussion at their monthly council meeting in Brussels, the general feeling was that Page 17; Lex, Page 18; Money last month's Washington meeting markets, Page 39

# Ministers edge towards fresh Gatt meetings

BY JUREK MARTIN IN TOKYO AND CHRISTIAN TYLER IN LÖNDON

the U.S. Canada and the European Community have inched towards a new multilateral round of trade negotiations in the course of their lat-est regular meeting held in Kyoto

committee within the General (Gatt) should be formed "as soon as possible" to work out an agenda for been asked to map out the Gatt the negotiations, which, the four timetable for the rest of this year. ministers said, they wanted to start In particular, it may be able to sug-

The group did not try to set a date for the formation of the preparatory committee; but Japanese officials claimed that its planned early creation reflected a "more positive" attitude to the new round on the part of

fresh momentum to the rich nations, it is far from certain that the and the U.S. Canada has also en-

THE TRADE ministers of Japan, developing countries can be won dorsed it, although is known to be the U.S. Canada and the European over to the idea in such a short concerned about its contents, parti-Community have inched towards a time. An indication of their latest posi- ished and semi-finished raw materition - especially on the communitions. al products, such as lumber, of

est regular meeting held in Kyoto
over the past two days.

They agreed that a preparatory

question of liberalising trade in services—is expected at the end of the
month when the Gatt's consultative
for International Trade and Indus-

gest to the Gatt council, the execu-

tive body, whether a special midyear session of the 90 member-states to launch a negotiation is fea-Meanwhile a series of public and private conferences of ministers in coming months, including the Westthe EEC, compared with the previous meeting last year. The U.S. delern economic summit in Bonn in egation was said privately to doubt May, will have to consider whether

the extent of the EEC's conversion. a pre-negotiation North-South con-Although the Kyoto meeting adds sensus is achievable.

The chief impetus for a new trade tions' move for early Gait negotia- round has come so far from Japan

group of 18 countries next meets.

The group, which includes Third
World leaders Brazil and India, has
trade system." Officials from his ministry later

explained that although the economies of some European and developing countries were still suffering from structural difficulties, the gen-eral global economic condition was better than for some time. It was, therefore, important to advance the cause of free trade while the going was relatively good. A missed opportunity now could only help pro-tectionist forces later, they said. The other ministers present - Mr William Brock, the U.S. trade representative, Mr Willy de Clercq, the

EEC Commissioner for External Continued on Page 18

# J.C. Penney to order British clothing because of weak £

BY CARLA RAPOPORT IN LONDON

The initial contracts with UK land, is believed to have one of the The initial contracts with UK manufacturers, believed to be worth between £6 and £8m (\$6.8m— Ms Rosemary Banyard, textiles brackets.

S8.8m), will be aimed at a special British clothing promotion this autumn at a selected number of J.C. Penney stores. The contracts may piers a foot in J.C. Penney's door. If be expanded if the initial products are well received.

Supply sempared to have one ut the parel ran parel ran brackets.

A numl James Capel, said yesterday: The manufacturers are piers a foot in J.C. Penney's door. If to their cross are well received.

Supply sempared to have one ut the parel ran brackets.

A numl James Capel, said yesterday: The principle of the unitial products the trials go well, this could open the way towards more than 500 U.S. Those c

Some 30 UK manufacturers are stores. currently gearing up production to It is understood that Penney will the U.S. business will abruptly dry satisfy the new contracts. Most of be importing a wide range of Britup it sterling strengthens consider-

U.S. retail group, is to take advantages in gretailer.

"The made-in-England label is very tage of the dollar's strength against.

The companies include Nottingimportant to Amercian consumers, said Mr Ian Christie, administratives manufacturers.

The made-in-England label is very important to Amercian consumers, said Mr Ian Christie, administrative manager for Portman, Pen-

Dewhirst, based in north-east Engdispensed with its paint and garden supply sections and extended its apparel range into higher-priced

> Spencer. Courtands is believed to be in that group.

Those companies also fear that

# J.C. PENNEY, the second largest & Spencer, Britain's largest clothets and dresses to hats and gloves.

British manufacturers.

The move, expected to be announced within a few weeks, is believed to be the first such order by a privately held firm specialising in women's dresses and its mans-said Mr Ian Christie, administration manager for Portman, Penney's agents in Britain.

Two years ago, J.C. Penney emprivately held firm specialising in women's dresses and separates.

The move, expected to be announced within a few weeks, is believed to be the first such order by a privately held firm specialising in women's dresses and separates.

A number of British clothing manufacturers apparently declined Penney's approaches in deference to their contracts with Marks and

E 2.3	Kultukan comment
Europe	Eurobonds
Companies	Furn-ontions
America	Financial Futures 39
America	Firsticial Patines
Companies 19, 20	Gold
Companies III	Int'l. Capital Markets 40
Overseas6	Tatters
Companies 21	Lex 18
Combanes	Lombard17
Waria Trade	Lombard
Britain 12, 13	Management
Britain	Market Monitors
Companies 22-24	Men and Matters 16
Companies	24
Agriculture	Mining
Agriculture	Money Markets 38
	Rem meterials.
Annointments advertising Z1, Zo	Stock markets - Rourses 29, 52
Appointments advertising 27, 28 Arts - Reviews	- Wall St 29-32, 49
Would Cride	- London29.33-35
Commercial Law	- L0200223,40-43
Commercial Law	Technology
Commodities	Their Teners 36, 37
Commodities	Unit Trusts 36, 37 Weather 18
Currencies	MCSIDER
Carrentes	

Denmark: working a small Mitterrand: bidding for the economic miracle ....... 2 middle ground ....... 16

Dominican Republic . . . . 4 ing budget options . . . . . 17

for Ford to relax....... 9 Dalgety.................. 18

Editorial comment: UK se- North Sea Oil: crets law; bus service .... 16 Survey ...... Section IV

Caribbean: austerity bites in Britain: Chancellor's shrink-

U.S. motor industry: no time Lex: markets; share buy ins;

Palitoy: General Mills seeks Management: secondment 

# UK civil servant cleared by secrets trial jury

A BRITISH JURY yesterday acquit ted Mr Cive Ponting, a senior civil servant, of secrets charges arising from his leaking of official documents about the sinking of the Ar-gentine cruiser General Belgrano

luring the Falklands war. Mr Ponting's acquittal was greeted with cheers in London's Central Criminal Court and by a chorus of demands, in parliament and elsewhere, for repeal of the controversial section of Britain's Official Sec-rets Act under which he had been charged.

The verdict also put a question mark against the political future of Mr John Stanley, Minister for the Armed Forces, who, although he did not give evidence at the trial, figured largely in it.

The jury of eight men and four women decided that Mr Ponting, formerly a senior adviser in the Defence Ministry, did not commit an offence under Section Two of the Act when he sent two documents about the sinking of the Belgrano to Labour MP Mr Tam Dalyell, a per-sistent critic of the Conservative Government over the affair,

Mr Ponting claimed that he leaked the documents to Mr Dalyell because he believed that parlia-ment was being misled by the De-fence Ministry about the events leading up to the sinking of the Ar-

He denied the prosecution allega-tion that he had acted out of "pique or rancour" because his ministers -Defence Secretary Mr Michael Hes-eltine and Mr Stanley - rejected his advice about the way to respond to MPs inquiries. He claimed that Mr Stanley had

ordered him to draft two replies one truthful and one untruthful - to give ministers a choice of answers to a letter from parliamentary leaders of the opposition Labour Party. At the end of an 11-day trial the jury took just under three bours to reach their unanimous verdict.

did what I believed was the right thing and despite all the pressures from the prosecution in the handling of this case, 12 ordinary peole have shown me to be right.

Afterwards, Mr Ponting said: "I

"My judgment about what was in the national interest has been shown to have been right and the

way ministers inside the Ministry

Continued on Page 18 Background, Page 12; Editorial comment, Page 16

# London vetoes 'unnecessary' Oslo gas deal

BY IAN HARGREAVES IN LONDON

THE BRITISH Government yester day vetoed British Gas's \$30bn plan to import gas from Norway's Sleip-

Mr Peter Walker, the Energy Sec-retary, told the House of Commons that so much additional gas had been found on the UK continental shelf in the last year that "it will no longer be necessary to import gas in the 1990s on the scale anticipated

even last summer. Mr Walker said that when official figures on oil and gas reserves were published in April, it would show a 6,200bn addition to UK gas re-serves. That represents a 15.3 per cent increase on the figure published last April. Sleipner contains 7,000bn cubic feet of recoverable

Mr Walker said that "good pro-gress" had been made in talks between the two governments since last summer, when the UK Govern-ment insisted upon a 20 per cent cut in the proposed peak off-take from Sleipner. But since that date, the results of last year's record level of drilling on the UK continental shelf had forced the Government to think bave contracts for more gas than

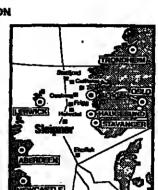
The UK shelf, Mr Walker said, "now seems likely to provide sufficient gas to meet the needs of the British market well into the 1990s.\* The UK Government, with British faks oil and gas field.
Gas, would "keep under review the Mr Alick Buchanar meet demand in the coming dec-

The comment was apparently designed to keep open the door to pos-sible imports for the mid to late 1990s and to remind the oil companies that will now start to sell their newly found gas to British Gas that the option of foreign supplies still exists if they try to drive too hard a bargain on price.

British Gas, which has given warnings that without Sleipner it might not be able to meet all its customers' needs, said last night it was obviously disappointed at the Government's decision. The corporation said it did not

see any threat to its ability to supcial element in filling the supply shore supplies office. gap British Gas could still see in the 1990s. It expected to be able to con-nied in the House of Commons last "This has been a long, hard, six-month fight against a blatantly political prosecution by the Governitical prosecution by the Governiting prosecution by the Governitical to the corporation "in good time."

In Norway, however, there is a good deal of irritation over the fact that it has taken a year for the Brit-ish Government to debate the pro-posed deal, before finally rejecting



Mr Kare Kristiansen, the Norwe gian oil minister, said there would not be a new round of bargaining about Sleipper with Britain, but that the three licensees of the field - Statiol, Norsk Hydro and Esso would have to decide what to do

There is no obvious alternative customer for Sleipner, since most western European utilities already they can use. Norway is now expected to switch its emphasis to oil developments and Statiol will today announce details of its plans to speed up production from the Gull-

Mr Alick Buchanan-Smith, Britlikely availability of supplies to ain's energy minister and Mr Walker's deputy, said it was the scale of the Sleipner proposal that had created the problem.

When Britain considered gas importes in the future, Norwegian supplies would be carefully reexamined, he said. Britain's strong preference, he said, was to import any foreign gas it needed from western Europe rather than from the Soviet Union, which is the world's leading gas producer and an important supplier to a number of countries, including France and Germany. The Netherlands is Europe's other chief gas exporter.

The UK Government also hopes that the more rapid development of ply customers' needs, but that free-dom to import would remain a cru-ificant boost for the domestic off-

panies that have found new gas the Sleipner Field amounted a fields to offer the contents for sale gamble with Britain's future gas

He promised that all the information that had led to the decision would be made available "in the very near future."

# Hi! Burroughs. Hi! Pericom. Hi! Scicon. And Hi! to Monsanto, Sperry, Apollo, Marconi and the other 120 high-tech companies who've moved to Milton Keynes. If you're in high technology, why aren't you in Milton Keynes?

For further information, contact: Commercial Director, Milton Keynes Development Corporation, Saxon Court, 502 Avebury Boulevard, Central Milton Keynes. MK9 3HS. Tel: (0908) 664666.

## **EUROPEAN NEWS**

# Greek leader in Moscow

BY PATRICK COCKBURN IN MOSCOW

Soviet officials confirmed last week that Mr Chernenko had been ill but be was able to attend the weekly meeting of the Politburo last Thursday, Today will be the first time be has been seen in public this year and could quell rumours circulating among diplomats seriously

welcome in Moscow because be has long been a critic of U.S.

The Greek delegation is hop-ing for commercial benefits from the visit including the signature of a contract—
announced last year — for a
\$450m aluminium plant to be
built in Greece with Soviet
equipment and finance.

contracts for shipbuilding and repair and progress on a pipe-line to bring Soviet gas to Athens via Bulgaria.

Greece is also interested in

THE GREEK Prime Minister, mr Andreas Papandreou, who is on e three-day visit to Moscow, is expected to meet President Konstantin Chernenko today in the first public appearance of the Soviet leader for six weeks.

policies. The Greek Government does not support the deploy-was given the task in New Delhi ment of cruise and Pershing 2 last month of briefing the Soviet Union on the progress of a six-nation initiative on nuclear distance in the Soviet leader for six weeks.

policies. The Greek Government does not support the deploy-was given the task in New Delhi last month of briefing the Soviet Union on the progress of a six-nation initiative on nuclear distance in the first public appearance of the Soviet leader for six weeks.

Sweden and Argentinas. His visit is the first by a Greek prime minister since Mr Constantine Karamanlis went there in 1979, launching a foreign policy opening towards the Soviet Union.

Domestically it will be use-ful in attracting left-wing votes in an election year, as well as defusing acute Communist opposition criticism about changes in the electoral system. A general election must be beld

# Higher paid Soviet worker finds little to spend his money on

BY OUR MOSCOW CORRESPONDENT

Union ere piled high with shoes and clothes that nobody wants to produce more high quality to boy, according to an economist here. Some 9 per cent of fabrics and footwear produced in recent years has been of such poor quality that it has either had to be sold cheaply or written off as unsaleable.

In the southern republice of

Azerbaijan, Georgie and Armenia, be claims, as much as 30 per cent of local light industry's entre output bas had

the seven years by had because there is such a shortage of good quality goods to buy, higher wages provide only a limited incentive to Soviet

He seven years year they had risen another Roubles 12.6bm, "the greatest rise in recent years," says Dr Kletsky.

Between 1975 and 1982 state

In the southern repoblics of faster than prices, causing savings in the banks almost to double from Roubles 91bn s 30 per cent of local light (£92bn) to Roubles 174.3bn in adustry's entre output bas had the seven years to 1982, By

workers, says Dr V. Kletsky
from Minsk, writing in Eko, a
monthly economic journal.
These failings are au obstacie
to the economic experiment now

Dr Kletsky says that the disparity between prices, wages and production is because "until recently, wage increases were decided upon according to

The new economic experiment, initially applied to five ministries in 1983, plans to reduce the output of poor quality made to be subject to the poor quality made to be subject to the poor quality made to the poor quality goods by making individual enterprises take greater managerial responsibility, Increased wages and higher productivity are directly linked to an in-

crease in wages. People should sense "a direct dependence between their labour and their pay." Mr Mikhail Gorbachev, a senior member of the Soviet polit-buro, said last year.

# Yugoslav prices soar in January

BY ALEKSANDAR LEBL IN BELGRADE

RETAIL PRICES rose by 9.2 inflation, which measured 63 per cent in January, the steepest monthly increase in followed the lifting of most Yugoslav history. The rise in price controls on January 1.

FINANCIAL TIMES, USPS No. 190840, published daily except Sundays and holidays. U.S. subscription rates \$420.00 per annum. Second cless postage paid at New York NY and at additional mailing offices. POST-MASTER: send address change to: FINANCIAL TIMES, 14 East 60th Street. New York, NY 10022.

But, although the Government

expected an increase in prices, the sharp surge came as an unpleasant surprise. This was especially so as it was announced on the eve of a new round of talks with the International Monetary Fund.

The present stand-by agree ment, which expires at the end of March, provides for interest and exchange rates to be linked to the inflation rate. Interest rates on three-month deposits should reach one pecentage point above inflation on April 1, and the dinar should depreciate by the difference between Yugo-slav and world inflation accord-

### Glemp leaps to defence of Poland's priests

By Christopher Bobinski in

CARDINAL JOZEF GLEMP, head of the Roman Catholic Church in Poland, yesterday abandoned his usual caution anandoned his usual caution and spoke out in defence of the clergy, denying govern-ment charges that they were breaking the law by introduc-ing politics into their sermons.

His statement suggests that the is preparing to confront the Government's accusa-tions as the authorities main-tain their propaganda cam-paign in an attempt to wring concessions from the Church.

"We shall defend our priests, although, of course, we don't want them to get involved in politics directly," the cardinal told Western journalists yesterday at a rare news conference before visiting Britain news dealers.

Cardinal Glemp's declara tion follows attacks in the state-controlled media on the Polish Church's outspoken priests and warnings that their activities will not be

The attacks started et the trial of the four government security men found guilty last week of murdering Fr Jerzy Popieluszko, the pro-Solidarity priest, and have continued since.

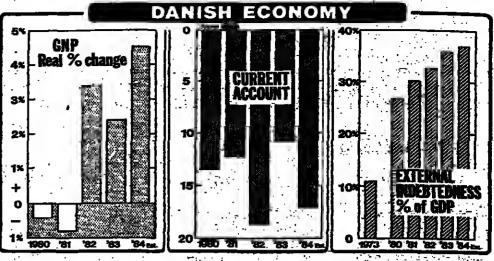
The cardinal denied that Fr Popieluszko's segments were

The cardinal denied that Fr Poplehusiko's sermons were in any way incorrect theologically, thereby defending tha dead priest against charges that he "misused his pulpit." This was an important government theme at tha six-week-long trial. Despite his noticeably tougher line, the cardinal held out hope of a meeting with General Wojciech Jaruzelski, the Communist party leader, and played down the

leader, and played down the significance of the attacks on the Church in the media. "These do not amount to a total attack but merely minor acrimonious remarks,"

Reuter adds from New Delhi: Gen Jaruzelski, who arrived here yesterday on his

Hilary Barnes, in Copenhagen, reviews an economy which last year grew faster than that of any other European nation, where manufacturing industry's output went up by 11 per cent and investment by 20-30 per cent, and which saw the creation of some 50,000 jobs, all of them in the private



# Denmark's small economic miracle

of the OECD's economic and statistical department in Paris, was quoted recently as describ-ing the development of the Danish economy over tha past two years as a small miracle.

Almost everything has gone right for the economy since Prima Minister Poul Schlueter's non-Socialist coalition Government took over in the autumn of 1982, with the single important exception of the deficit on the current account of the balance of payments.

The economy took off in the summer of 1983, following measures by the Government in the winter of 1982 to suspend the wage - price indexation system and to stabilise the budget by curbing expenditure and raising more revenue. In 1984 the increase in real

Gross Domestic Product was about 41 per cent, the fastest growth rate in Europe. This growth was derived entirely from an increase in private sector demand; there was no increase in public sector construction and investment. sumption and investment.

Manufacturing ontput in-creased by no less than 11 per cent and investment in manufacturing in real terms seems to bave risen by an astonishing 25-30 per cent. Final estimates are yet to come. According to the federation of industries tha investment surge will continue

investment surge will continue this year.

About 50,000 new jobs were most pressing problems, its large budget deficit and rocket-created last year all in the private sector, an addition of about 3 per cent to total employment. As the labour deficit would be all but elimiforce is still expanding, members and tha external account in the problems. The problems of the color of the strength of the color of the strength of the color of the strength of the color of the color

months to November increased months to November increased by 5.6 per cent, while hourly wages in manufacturing increased by a modest 4½ per cent, contributing to an imrovement in the competitive-ness of industrial exports, which increased in value by 17 per cent. Total exports of goods increased by 12 per cent.

The boom has worked won-ders for the Government's shaky finances. The budget deficit in 1984 came down from the Kr 54bn (£4.2bn) forecast et the beginning of the year to Kr 44bn, as unemployment benefit costs decreased and

#### Improvement

The forecast for 1985 is an improvement in the deficit to Kr 36bn, or about 6 percent of GDP, compared with a deficit equal to 11.9 per cent of 1982's GDP when the present government took office.

government took office.

The 1984 performance has demonstrated the flexibility and istent dynamism of Danish industry, given a reasonabla environment in which to operate. Its edge, Danish indus-trialists say, has never been dulled by the payment of direct subsidies (not even to the ship-yards and the clothing industries) and none of it, except the utilities, is nationalised. If Denmark can keep up its 1984 performance the country's

conflict or to a damagning labour conflict or to a resurgence of wage inflation, the only major snag is the external eccount.

Last year the current account deficit increased to an estimated Kr 16-17bn, about 3 per cent of GDP, from Kr 11bn. At the end of 1983, net foreign debt was already equal to 35 per cent of GDP. It is now e notch or two

The building up of stocks et the start of the recovery and rising interest costs on the foreign debt, reflecting the strength of the dollar, were among the reasons for the increase in the deficit. Imports increased by about 15.4 per

increased by about 15.4 per cent while exports went np by 12.3 per cent taking the trade gap for 1984 from Kr 2.1bn in 1983 to Kr 7on last year.

The Government hopes that as stock building eases off, the current account will improve, but trade and the contraction of the contrac stocks are not the only reason for the rising deficit: consumer goods imports increased by about 23 per cent last year. With the Government reluctant to apply the fiscal brakes, the central bank has

endeavoured to restrain credit growth. Lending by the banks increased by about 131 per cent in the 12 months to November, but the central bank is aiming to bring the expansion down to an annual rate of 10 per cent an annual rate of 10 per cent
Mortgage bonds are now yielding about 14.2 per cent and the
average yield for all series
came down to 13.3 per cent.
Mr Erik Hoffmeyer, the
governor of the central bank,
bas made it clear that a reduc-

the public and private sectors particular failure are reflected are continuing, and unless they in the krone exchange rate. The lead either to a damaging labour Danish currency has conconflict or to a resurgence of sistently been among the wage inflation, the only major strongest members of the European and is the external eccount.

Last year the current secount months, but the krone's strength is also linked to the need to maintain a big gap. between their own and Euromarket interest rates in order to attract foreign exchange.

It is an interesting question, however, whether the central bank's monetary management has not contributed to the deterioration in the external account. The economy has been allowed to remain highly liquid: money supply increased by 25 per cent in 1983 and by 18.6 in the 12 months to November last year.

#### Determined

Denmark's current account deficit and the large foreign debt have been a serious cause of concern for more than a of concern for more than a decade. So far, the economy has responded well to the Government's determined attack on the budget deficit and inflation, and although the current account is still in substantial deficit, the trade balance on goods and parriage her shown a goods and services has shown a steady improvement since 1979. Nevertheless because the foreign debt is so large, that cost of servicing it on the foreign debt continues to tick up alarmingly quickly, with the

3= 3: A: A:

EC: 4.

444 : 1 E

a kina a a a

-e: " ( - ° 4) 1

T T T T T

September 1

≘ರಗಾ*ಗಿ* ಉಪಡ

. Er 124. 124.

TENEDRATION :

3 m 2 1 1 2 1 4

Marine Se

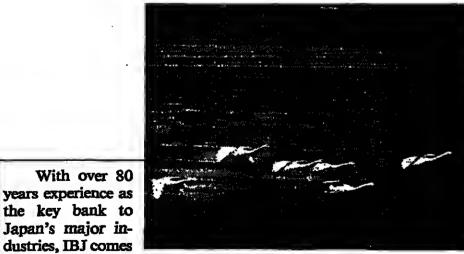
imope

amount rising from about Kr 18bn in 1983 to about Kr 23bn in 1984. A very rapid miprovement on the trade balance is; needed just to keep the ex-ternal account from becoming first official visit outside the ployment fell by only 20,000 to in surplus.

Soviet bloc, said Poland's about 258,000 in November, or Apart from the possibility be expected if the external and the Government has yet to economy was on the road to 9.8 per cent of the workforce. That the negotiations for new account improves.

Consumer prices in the 12 collective wage agreements in The Danish success and this problem.

# Successful large-scale financing requires an ability to lead.



natural to leadership in large-scale financing. Our knowledge of international

markets, ability to assemble superior

partners, and credit analysis capabilities

have been honed to a fine professional edge.

Today, IBJ innovates corporate, project, and other financing solutions in yen and key inter-

national currencies globewide.

In large-scale financing, or myriad international money matters, IBJ is the US\$84 billion force that can lead you



YOUR RESOURCEFUL BANK

PARIS . LOS ANGELES . SINIGAPORE . 7HRICH

is pleased to announce the opening of its branch in

there

#### **EUROPEAN NEWS**

# Warsaw Pact treaty meeting 'still likely to be held in Sofia'

BY PATRICK BLUM IN SOFIA

the Warsaw Pact treaty, postponed all recognise that the alliances have from last month due to Soviet Presito be taken as realities for the foredent Konstantin Chernenko's ill- seeable future," he said.

Talking to journalists just before meeting Sir Geoffrey Howe, Britain's Foreign Secretary, the Bulgarian leader confirmed that the Political Consultative Committee of the Warsaw Pact, grouping Soviet bloc leader and, in banter with journalists, was spritely. Although the Eastern alliance may be remarked in Sofia, "it will still be the Warsaw Pact, grouping Soviet bloc." Warsaw Pact, grouping Soviet bloc leaders would be convened. The next meeting is due to be in Sofia. Warsaw Pact. It's a pity we cannot change the name, he said.

Sir Geoffrey arrived in Ankara yesterday on the first top-level Brit-

the historic visit by Sir Geoffrey, Barcha the first by a British Foreign Secretary to Bulgaria since diplomatic relations were established between the Prime Minister, as well as his

The second of th

TO SECURE THE SECURE T

mined

TA'S TATE OF

S were water

TOTAL STATE

70 70216 MM 40-1 M 70-117 77.2 Mg

Sir Geoffrey said the delay had been "much too long" and agreed with Mr Zhivkov that his visit should prove "a stimulus" to the "healthy" relations already existing

between the two countries. Arriving from Romania on Sun-day, Sir Geoffrey held discussions in Sofia yesterday with Mr Grisha Filipov, the Prime Minister, and Petar Mladenov, the Foreign Minister, as well as the Bulgarian President,

before departing for Turkey. East-West relations, arms control and commercial issues dominated Sir Geoffrey's discussions in Sofia. Total bilateral trade was only £73.2m (\$80.5m) last year, but growing fast (up 30 per cent from 1983) and sharply in Britain's favour with the UK selling £56m last year to

Bulgaria and buying £17.3m.

This trend, combined with the opening today of a British trade week in Solia and the forthcoming visit to Britain of Mr Hriste Hristov, the Bulgarian trade minister provided a "favourable background" to further trade expansion, Sir General, for a settlement.

Geoffrey said at a press conference. Sir Geoffrey and Bulgarian min-isters welcomed the return next month of the U.S. and the Soviet Union to the arms negotiating table. But they said they were aware that progress towards arms accords would not be easy.

THE EASTERN summit to renew undermine the Warsaw Pact. We

ness, is still likely to take place in
Sofia as planned, President Todor
Zhivkov of Bulgaria said yesterday.

Tolling in 1955 for 30 years, expires in May.

The occasion of Mr Zhivkov said. yesterday on the first top-level British official visit to Turkey since the military revolution of 1980, David

rd in Ankara writes. lations were established between the Prime Minister, as well as his the countries more than 100 years Turkish counterpart Mr Vahit Hale-

foght during a day of intensive talks He is also expected to meet oppo-Turkey and Britain have had an increasingly warm political rela-

tionship in recent years, which has to some extent offset tensions in Turkey's relations with other leading EEC countries such as West Germany and France. Britain has consistently backed Turkey against its critics in the Eu-

ropean Community and the Council of Europe, while maintaining a line of cautious unease about Turkey's human rights record. Turkey is seeking Britain's help

to unblock Ecu 600m (\$413.4m) of EEC aid, frozen since 1981 because of objections to its human rights sit-

Britain is also eager to learn Turkish views on the future of the Cyprus dispute, though diplomats here stress that Britain does not want to get in the way of existing efforts by Sr Javier Perez de Cuellar, the United Nations Secretary

It is still unclear whether Britain wishes to retain its guarantor status in any future settlement

From the British point of view, however, Turkey is now chiefly interesting as a market for weaponry. In 1983 Turkey agreed to purchase 36 Rapier missiles at a cost of over The UK Foreign Secretary also \$100m and a further purchase on stressed that Nato was defensive the same scale is now being con- and that Britain was not trying to templated.

# **Europe** hit by worst freeze in 10 years

LONDON - Deep freeze temperatures, affecting much of Europe for the second time this winter, caused at least 15 deaths in Britain and froze the sea off Denmark.

Strong easterly winds and blizzard conditions caused chaos throughout Britain at the weekend. Four railway workers died in South Wales yesterday when a train ran into a work party clearing snow. Nine people died in a motorway olle up in central England on a surface of sheet ice. A boy drowned in a fall through ice and a youth died in a car crash on an icy road.

Denmark and Sweden could soon be joined by ice across the 3km Oere Sound if freezing weather, with temperatures as low as -20°C continues Danish coastguards said. Around Stockholm, icebreakers battled to free ships trapped in the ice and officials said navigation in the northern Baltic was impossible

-30°C and there was a strong Arctic In Norway health authorities told parents to keep babies indoors to

avoid damaging lung tissue as tem-peratures plummeted to a 19-year low of -25°C in Oslo. Organisers of next weekend's world speed-skating championships said they might be called off be-cause temperatures below -15°C can cause breathing problems for

Yugoslavia was hit by the cold snap from northern Europe. Bliz-zards, icy rain and gales swept closed mountain roads and also disrupted traffic in the capital Bel-grade. Temperatures dropped to be-tween -8°C and -10°C, and gales whipped the northern Adriatic coast. Weathermen forecast a further drop to -20°C until the weather

eases at the weekend. But the freeze was good news for some people. Gas oil traders in Rotsome people. Gas oil traders in Rotterdam said fuel prices surged in morning business, with European vere winter of the decade, weatherm said temperatures in the store a tonne up from last Friday.

> In Athens there's one luxury hotel the rest are judged by

> > HOTEL ATHENAEUM

INTER-CONTINENTAL

### **EEC** moves to align industrial standards

By Paul Cheeseright in Brussels THE EEC is likely to take a significant move towards creating a freer internal market by the middle of the year by adopting a new approach to industriel standards.

standards.

Trade ministers meeting here
yesterday gave a generally
warm welcome to the first in... tive of the new European Commission in this area. The spread of common EEC industrial standards would enable goods to be traded more easily by eliminating national technical barriers.

cal barriers.
"My guess is that it's got a very good chance of getting through next time," said Mr Paul Channon, the British Trade Minister. The next meeting of ministers concerned with the internal market is expected in

May. The Commission has been instructed to produce a concrete proposal to bring the policy into operation. This will provide for the general establishment of a Community standard based on health and safety for any particular group of products.

Detailed technical standards would be settled at national level but once a product met the Community standard it could be

reely traded throughout the Another initiative in make it easier for Community citizens to cross frontiers, ran into difficulty, however. This would replace existing controls with spot checks on the basis that Community eitizens would have free movement by attaching a green disc on their cars or

waving a European passport.

"We feel very strongly that if you only had a spot check system, you would have very many more animals smnggled in and wall would have problems. and you would have problems with immigration and security," said Mr Channon.

#### High tech boost for French universities

By David Marsh in Paris

FRANCE is to bring in a modest package of university reform measures designed to strengthen links between researchers and companies in technical fields and to improve students' expertise in infor-mation technology.

The moves also aim to im-

prove selection procedures to cut France's high university drop-out rate and to introduce an American-style system of outside grading to improve education quality.

M Roger-Gerard Schwartzenberg, secretary of state in charge of universities, who annunced the plans yesterday, said 400 computer workshops would be set up at higher educa-tion establishments to ensure that students had at least 30 hours of "initiation" in com-

The semi-professional comtechnical colleges had not yet been chosen, he said, but prinrity would he given to French equipment when there was an more efficient material from abroad.

He announced as a " profound innovation" a new system under which university researchers and teachers will be able to take sahbaticals to deepen existing work or change to new disciplines where France faces a technological lag, especially in computers. Sabbaticals are not normally

In line with policies heing pushed by M Hubert Curien, the Research and Technology Minister, universities and col-leges are being encouraged to agree research contracts and exchanges of personnel with outside companies.

taken in France.

# Spanish enclaves stir nationalist passions

the UK and Spain over the modern Moroccan state—
status of Gibraltar, the British Melilla since the end of the colony at the southern tip of 15th century and Centa, preSpain, has rekindled arguments viously held by the Portuguese, between Spain and Morocco, since the 17th century—and and within Spain over the the process of Centary Moroccan. and within Spain over the future of the enclaves of Ceuta and Melilla on the North African coast. These are the only possessions remaining in Spanish hands since Morocco gained its independence.

Spain's response to the periodic repetitions of Morocco's claim tn "the necupied cities of the north" has always periodic repetitions of Morocco's claim in "the necupied cities of the north" has always heen to insist on the "Spanishness" of both ports.

This argument rests on two pluars. One is that both towns there Spanish the proportion of Arah Inhabitants have been Spanish towns the particularly in Melila.

PROGRESS IN talks between before the foundation of the enclaves is an extraordinarily the UK and Spain over the modern Moroccan state— delicate issue, especially among

Gibraltar, on the other hand, was Spanish for more than two centuries before a British admiral seized the rock during the War of the Spanish Succession in 1704.

las beeo increasing however, Officially, just as Britain insists that Gibraltar, Hong Spanish sovereignty over the Kong and the Falkland Islands

the Right-wing military, in Spain because of the role of the enclaves in the Spanish civil war. The Nationalist army revolt, led by General Franco, began in the garrison at Melilla.

Jitters among the local popu-lation have been increased by two recent developments: last year'a surprise pact hetween Moroeco and Libya and the pro-gress in Anglo-Spanish talks on immediate questions about the a free port now thet the Gihral-

are different and unconnected cases, so Spain argues that the Gibraltar issue has nothing to

Members of the Socialist Administration recognise in private however that Spain cannot both recover Gibraltar —an objective seen as taking et least 25 years — end keep the status quo in the North African enclaves. The problem today is that Spanish opinion is over-prepared in one instance and totally unprepared the other.

Sr Santiago Carrillo, the crusty former Communist leader, has already begun to stir up the issue. "Ceuta and Melilla are Moroccan territory," he declared at the weekend, "and we have to start prepar-ing public opinion in that

Spanish colony of the Western

When Spain left the colony at

the end of 1975, the Moroccan army occupied the territory, thus prompting a conflict with the Polisario Front which, for the past 10 years, has been fighting for an independent

While more than 50 countries, and a majority of African states have recognised the Polisario's self-proclaimed Saharan Arah

with the strong backing

# Friends and foes line up behind Morocco's claim

KING HASSAN of Morocco and his late father, King Mohammed V have never made any secret Melilla return to the mother country.

But, as with Tanglers and the two other former Spanish en-claves which lie on the kingdom's south-west shore. Tarfaya and Sldi Ifni, both monarchs have sought to reclaim sovereignty by political rather than military means.

The two enclaves belonged to the Moroccan crown throughout the Middle Ages. Ceuta was conquered by the Portuguese in 1415 and Melilla by the Span-iards in 1497. That was five years after the Spanish monerchs had retaken the city of Granada in southern Spain, the last vestige of the Moslem king-doms which had ruled much of the Iberian peninsula for 600

The conquest of Ceuta was followed in the 16th century by the Spanish occupation of Oran and Algiers and then Tunis and the early years of this century Jerba, the island which lies by two European powers, Spain

#### FURORE IN SPAIN OVER HASSAN'S TV INTERVIEW This action is being brought by Sr Miguel Angel Roldan, Socialist Senator for Melilla, who denounced the that if Spain were to regain

state-owned network for broadcasting statements menacing the territorial integrity of Spain."

The incident is a serious

blow to efforts to build np

the credibility of Spanish elevision as an independent

body. But ft was not im-mediately clear whether the

decision was made ont of fear of provoking a public storm

because of any specific

n Spain surrounding the issue of Centa and Melilia was demonstrated at the television interview with King Hassan, writes David White. His remarks on Morocco's claims were cut out of the full version of the interview after being shown in previews

The decision to remove the offending passage, in which King Hassan linked Morocco's case to Spain's claim to recover Gibraltar from Britain, came after fierce protests from Centa and Melilla and the aunouncement of a legal action against the bead of

on Tunisia's Libyan frontier.

is even more complex because Morocco itself was colonised in

The dispute over the enclaves

King Hassan also intro-duced a new strategie argument to back his case, saying

instructions.

1958 and Sidi Ifni in 1969, hoth and France. It achieved independence from both in 1956, in from Spain. The Moroccan which year it reoccupied Tan-monarchs also claimed the which year it reoccupied Tangiers, which had been an inter-

Gibraltar and remain in Nato, then the Soviet Union would not accept having all three key points at the entrance to the Mediterranean in Spanish

In other respects he was conciliatory towards Spain. He said a solution should be sought through negotiations sought through negotiations
"in an atmosphere of peace
and co-operation." He referred to his "cordially
fraternal" relations with
King Juan Carlos, spoke in
flattering terms of the
Socialist administration and
expressed his belief in a
project to link the two countries by a bridge or a tunnel. tries by a bridge or a tunnel.

seems very unlikely that they will take a similar view over Ceuta and Melilla. Most African and Areh countries view the situation of the encleves as a colonial one; thus any progress on the transfer of sovereignty over Gibraltar emphasises the continuing pre-sence of Spain in Africa.

of Algeria.

Then Algeria, whose relations with Morocco are very tense because of the Western Sahara Western Sahara and Maure-tania. They surrendered their dispute is likely to support its Tarfaya was retrieved in claim to Mauretania in the early claim.

# Switch to electricity and cut your energy costs.



Thousands of companies are switching to

And their savings are mounting daily. Electricity could be giving you significant reductions in your overall operating costs. You can't afford to ignore the benefits. Just look how much these companies saved.

#### 90% cut in drying time with the switch to electric convection ovens.

BICC Prescot Industries Limited relied on natural air circulation to dry their emulsion-coated pine bedheads. This led to rejects, drying took 24 hours, and in winter space heating had to be run all night to assist the process.

The problem was resolved when they switched to an electric convection tunnel oven. The compact, controlled drying system has

improved finishing, reduced drying times, and released much of the drying floor area for other

Not only have energy cost savings of 35% been achieved, but production has been increased by 20%.

### 80% energy cost saving with the switch to heat pump drying. What's more, Callard and Bowser have cut process times by 60%, and trebled throughput.

Three drying chambers, which reduce the moisture content of Juicy Jellies, Skels and Fruit Pastilles, were supplied by fuel-fired central boilers, but increasing production demanded a more efficient drying process.

Callard and Bowser solved the problem by installing electric heat pump dehumidifiers in the

Energy cost savings alone have paid for the installation within 14 months.

#### See how much you can save.

Each Electricity Board has Industrial Engineers ready to help you get the best from electricity. As a first step to cutting costs ring 01-936 9404 for information on these or other electrical techniques or contact an Industrial Engineer at your local

Electricity Board. Please send me more information on: □ Convection oven drying. ☐ Heat pump dehumidification. ☐ Please arrange for an Industrial Engineer to contact me. Post Code To: Electricity Publications, PO Box 2 Feltham, Middx TW14 OTG. 1/7/6

> The Electricity Council Cartand and Wates

INVESTELECTRIC The energy-efficient switch.

THE ADVANTAGE IS INTER-CONTINENTAL **OINTER-CONTINENTAL HOTELS** 89-93 Syngrou Avenue, (301) 902 3666 Telex 221554
For reservations call: London (01) 491 7181, Paris: (01) 742-07-92,
your nearest Inter Continental office or your usual travel agent,

BY ANDREW WHITLEY IN RIO DE JANEIRO

yesterday to reassure his quarrelling political backers that his government will include representatives from all the groups which contributed to his electoral victory.

The likely composition of the Government, which assumes power on March 15, is the hottest politicel issue in Brazil. The acrimonious jockeying for position, which is straining relations within the recently formed Democratic Alliance, centres on the extent to which Sr Neves is prepared to make a break with the military regime of the past two decades. Sr Neves hos gone to great lengths not to close any doors to potential supporters. He courted unpopularity with his Left wing by saying yesterday Key targ struggle for the two ministries.

FRESH from e successful tour of Western Europe and the Americas, Brazil's President-elect, Sr Tancredo Neves, moved stration.

stration.

Much of the dispute has polarised around Sr Francisco Dornelles, head of the Recelta Federal, the Brazilian Inland Revenue, who is retiring. Apart from heing the President-elect's rephers and one of his closest nephew and one of his closest nephew and one of his closest new and of his choice as Finance Minister.

For many politicians in the Democratic Alliance his choice would signify e continuation of policies associeted with the military regime. Hence, the left wingers ore demanding comleft wingers ore demanding com-parable influence in other key

areas if he is epointed.

Key targts in the coalition'e struggle for power are control of the two houses of congress.

### Coca-Cola bottling plant in **Guatemala City to reopen**

BY BRIAN GROOM, LABOUR STAFF

THE International Union of began when the previous fran-Foodworkers said yesterday chise holder, Egfa, announced that et least 265 of the 350 jobs at a Coca-Cole bottling plent in Guatemala City had been saved was mounted by unions in 40 after one of the higgest interna-

A local consortium has taken over the Cocs-Cole franchise described and will reopen the plent on March 1. If there are no hiccups that will end an occupation of the consumer boycott in the March 1. At o meeting in Cost Rica in hiccups that will end an occupa-tion hy members of the Stegac union which hegan on Fehruary for a franchise holder who

tional campaigns ever mounted the negotiating table. Action by the trade union movement. included strikes at Coca-Cole

7 last year. would continue to recognise the The sit-in has been sustained union. After difficult negotiewith the help of SwFr 200,000 tions Stegac reached agreement (£67,000) raised from 100 union with the consortium on Feb-contributions in 18 countries. It ruary 1.

#### **Mexico inflation rate blow**

the annual inflation rate, writes the inflation rate has been Ronald Buchanan in Mexico reduced each year. January 2 City, Last year, when annual was the first month to show an inflation reached 59.2 per cent increase over the comparable against e 40 per cent target, the month of the previous year durindex rose by 6.4 per cent in ing this Administration.

MEXICO'S consumer price January.
index rose hy 7.4 per cent in January, far above the Government's target of 35 per cent for took over in December 1982,

In Paris

there's a palace

that still feels like a palace.

Although it is known to friends

as an hotel.

HOTEL

**MEURICE** 

THE ADVANTAGE IS INTER-CONTINENTAL

• INTER-CONTINENTAL HOTELS 228 Rue de Rivoli, (331) 260-3860, Telex: 230673 For reservations call; London: (01) 491-7181, Frankfurt: 0611/230561, Amsterdam: (020) 262021

#### Mulroney concludes east coast energy pact

THE Governments of Canada and Newfoundland province have concluded an agreement ending the long dispute over control of Newfoundland's offshore oil and gas reserves. The pact, signed yesterday by Mr Brian Mulroney, Canadian Prime Minister and Mr Brian Peckford, Newfound-land's Premier, illustrates efforts hy Ottawa's Conserva-tive Government to improve the capital's relations with the

country's 10 previnces.

The Federal Government is The Federal Government is also negotiating an energy accord with the producing provinces of Alberta, Saskatchewan and British Columbia. This is expected to improve returns to producers and give the federal anthorities less control over energy. ties less control over energy

The Newfoundland deal incindes a C\$300m (£200m) development fund—75 per cent funded by o federal grant—to supply infrastructure for development of the offshore development of the offshore Hibernia field. Commercial production from Hibernia is scheduled to begin towards

the end of the decade.

The Federal Government will have the final say in the pace of exploration and production at Hibernia at times when Canada is not self-sufficient in oil and gas or when the security of supplies from other sources is threa-

# Reginald Dale profiles Reagan's choice for U.S. ambassador to the United Nations General Walters marches into the limelight

RETIRED U.S. Army General Vernon "Dick" Walters has long regarded it as one of his greatest assets that he can stand anywhere in the world in a crowded airport and nobody will recognise him. For his 1978 autohlography, he chose the title "Silent Missions," an accurate reflection of o long career in the army, in intelli-

presidents starting with Harry Truman in the lete 1940s. At the age of 68, he is finally coming out of the shodows and into the limelight, as President Ronald Reagan's choice to succeed the flamboyant Mrs Jeane Kirkpetrick as U.S. ambassador to the United Nations. The New York post is one of the least silent missions in U.S. diplomacy.

gence and as o special, often secret envoy for a string of U.S.

Gen Walters, however, has al-ready made it clear that he does not plan to odopt the fiercely independent style of Mrs Kirkpatrick, who was often ot odds with her Cabinet colleagues and particularly with Mr George
Shultz, the Secretary of State.
"I do not intend to be just
a messenger hoy," he says.
"But I do not intend to make

"But I do not intend to make difficulties for the policymakers of the U.S."

In his memoirs, Gen Walters says that his army beckground makes him loyal to, and protective of his superiors. Although he, like Mrs Kirkpatrick, will also have Cahinet rank, he is not the type to rock the boat—certailly not in public. Mr Shultz, who was among Gen Walters's leading supporters for Walters's leading supporters for the job, seems to regard his as an ally.

At the same time, his conservative credentials should prove reassuring to right-wingers in-side and outside the Adminis cation, who have been deeply distressed by Mrs Kirkpatrick's departure. While he has undertaken missions for presidents of both parties, his strong anti-Communist views and his contacts with foreign military leaders, especially in Latin Aherica, have made him a favourite of conservative Re-

In the past four years, Gen Walters says that his missions for Mr Reagan have taken him more than 1m miles to 100 countries. Most recently, he has been in El Salvador, Sri Lanka and a number of African nations, logging an overage of 10,000 miles a week on usually unpublicised assignments. He is a firm believer in Mr Reagan's policy of "quiet diplomacy," and behind the scenes persuasion, especially on issues of human rights viola-

tions.

For almost 40 years, he has been close to or on nodding terms with U.S. presidents, world figures and foreign heads of state, often as an unofficial interpreter. He speakes at least seven foreign languages, The pictures in his book show him at meetings with such personalities as General de Goulle. sonalities as General de Geulle, General Franco, Mrs Jecqueline Kennedy Onassis and Field Marshal Montgomery—some-times in the foreground, but more often as a bulky 6 ft 3 in figure hovering in the back-

General Walters: "not just a messenger boy"

British insurance salesman, Gen Walters was educated of Roman Catholic schools in France and England, where he attended Stoneyhurst College, before dropping out for financial reasons when he was 16.

Gen Walters'e exploits have more often as a bulky 6 ft 3 in taken him to Latin America and figure hovering in the background. He received his first Truman, to Neto with the then intelligence assignment in General Dwight Eisenhower, World War Two, infiltrating e with whom he subsequently

group of suspected German worked frequently as preside spies, after joining the army as and with then vice-preside and with then vice-president Richard Nixon on his turbulent a private in 1941,
The son of an immigrant 1958 tour of Latin America.

Bettick insurance salesman, Gen When Mr Nixon was jostled and spat on by o moh in Venezuela, Gen Walters is reported to have translated his chief's epithets into Spanish and hurled them out of the window.

Appointed by then President

to ask the FBI to rein in its enquiries, Gen Waiters wrote later. "It simply did not occur to me that the Chief of Staff to the President might be asking me to do something that was illegal or wrong."

But he emerged unscathed from Watergate—thanks to his insistence on keeping the CIA out of the affair, backed by threats to resign.

His work as a special envoy, which included undercover meetings with the Chinese and Victuames during the Kissinger Victuames during the Kissinger Victuam peace negotiations, has been even more intense under Mr Reagan, Early in the Reagan years, he paid a secret visit to Fidel Castro, the Cuhan leader, and went to South America to warn governments there of the Soviet threat to Central America.

Last year, he was sent to El Salvador to deliver o stern warning to Major Roberto d'Ambuisson, the right-wing leader, after rumours that his supporters were plotting to murder Mr Thomas Pickering, the U.S. ambassador. But he has largely kept himself to himself and it is o fair bet that there are a number of other silent missions that have passed unnoticed by the general public.

But he contests the descrip haven't sought publicity," he says. "Sometimes that's frustrat-Nixon as Deputy Director of says. "Sometimes that's frustrat-the Central Intelligence Agency in because I'm not a modest in 1971, he was slew to perceive the full depth of the White House's involvement in Woter-gate. Requested by Mr Nixon's make up for that.

# Strike shakes Dominican Republic

BY ROBERT GRAHAM IN SANTO DOMINGO

branco of the Dominican Repub-lic was only just spared the forces have been patrolling with indignity of e general strike riot grenades — creating an while hosting e meeting here atmosphere of nervousness in last week of foreign and finance ministers from Latin America's ministers from Latin America's island, debtor nations. Yesterday the This general strike, called in protest over a series of sharp price increases, began.

Popular protest has been mounting since January 23 when a new series of austerity mea-sures were announced by his Centrist Government

Everywhere in the capital, and in the larger cities of the island, police patrols have been stepped up, the army sent to

PRESIDENT Salvador Jorge guard strategic installations Blanco of the Dominican Repubagainst sabotage and security This popular protest and the difficulties of the Government

graphically illustrates the prob-lems of a small debtor country trying to face up to inter-national recession and meet its financial obligations, The Dominican Republic has total foreign debts of \$2.6bn — small by the standards of its colleagues attending last week's meeting of the "Cartagena Group." But although smaller in scale, the problems are simi-lar to those of a number of its neighbours especially Jamaica.

The Dominican Republic with its six million population is the higgest reprentative domocracy among the small states of the Caribbean. Its fate is closely monitored by the U.S., for the island shared with Haiti sites astride strategic shipping lanes, and, though Spanish speaking, events here have traditionally sent ripples through the rest of the Caribbean. This year is also the 20th anniversary of the U.S. intervention on the island.

It was very much with the Dominican Republic in mind that President Reagan launched his Caribbean Basin Initiative (easing trade restrictions and encouraging investment between the U.S. and Caribbean

Indeed, such has been U.S. concern for the Dominican Republic that Washington's views on the need to impose IMF orthodoxy to odjust the economy and the need to pre-serve the status quo here, have some interesting results.

The U.S. for instance put pressure on the Government of President Jorge Blanco when it took office in 1982 to accept IMF austerity measures. Yet when popular protests began to emerge the Fund was encouraged to he fexible and retiest. These when excites vict. patient. Then when serious riot-ing erupted last April after food price increases, the U.S. Administration immediately chipped in with an extra \$50m



strongly backed by U.S.

sugar for export earnings. The country's oil import bill up to \$470m—a third of total imports. Meanwhile the collapse of sugar prices in 1982, sharply cut export earnings and pushed the trade deficit np to \$500m.

President Jorge Blanco came to office pledged to cut imports, hoost exports through diversinoost exports through diversi-fication, attract new investment, raise taxes and hold back on public spending. In 1983 agree-ment was reached with the IMF on an Extended Fund Fecility of \$400m. The counterpart for this assistance was e tough adjustment programme that included reorganisation of the foreign exchange system, holding down public expenditure, and raising some essential prices. This programme has only been partially successful.

In terms of raising export earnings, only limited diversifi-cation has occurred but a big effort has been made to ottract new foreign investment with liberalised laws,

Tourism itself has boomed, with current receipts worth \$320m. However, the collapse in the sugar price led to the higgest divestment operation the Republic has seen, when last December Gulf and Wes-tern sold out its extensive sugar, hotel and resort develop-ment interests for a reported \$200m to a Florida-based Cuban family, the Van Hools.

The administration Itself has moved slowly and inefficiently.
For a period of over four
months last year the Central months last year the Central Garibbean Basin Initiative.

Bank was near paralysis as o result of key resignations. It stances it is hard to see how the stance of the country.

The Dominican Republic's economic problems stem from stayed around 4 per cent of long pending negotiations to relieve energy and over-reliance on low of 7 per cent in 1982 to and private deht.

with a magnetic confidence of the second

around 30 per cent as o result of

The agreement with the IMF oroke down and has only been partially implemented. As a result of the April riots the Government has been obliged to move with extreme caution. However, there is fat in the system, borne out by e thriving "informal economy." Some the U.S. are believed to remit around \$600m a year almost all of which goes into the informal economy. The Government dis-covered that despite petrol price increases last year consumption was still rising steadily. It was largely because of this unrecorded economic activity

measures. The President was careful this time to put out a strong "disuasive" security presence immediately the measures were

A committee of loosely organised political groups of the left have been behind the recent series of protests. The Government claims there is e great deal of intimidation, but politicians like the former President Prof Juan Bosch claim there is a good deal of spontaneity and the pro-tests include for the first time people from among the middle

Yesterday's general strikers are demanding among other things that the Government hreak off negotiations with the IMF, that the recent price increases especially regarding transport, are rescinded, that salaries rise in line with inflation, and a more thorough pro-gramme of land distribution be carried out.

The Government is hoping that the protest will die down and it can sit it out using the strong arm of the security

However if the unrest con-tinues it is bound to heve nega-tive effects on vital touriet earn-ings. Americans and Canadians are the main visitors and are easily frightened away. Also the main investors now are from the U.S. and Canada, looking at opportunity in the context of the Caribbean Basin Initiative.



The truth was it hadn't really occurred to us Not until our passengers brought it up. Now we do. Service is like that. You have to listen. During the past few years, listening to our issengers has helped us develop a whole range

of new services.

And we're reminded every day just how many small details can stand imp man detains can stand improvement. So if you want to travel better, fly an airline that



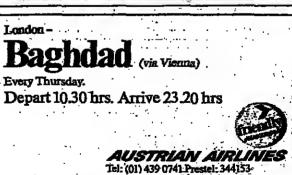
he:

Can You Remember The Details of Your **Business Conversation?** Do you have proof of Verbal Commitment? VENCEREAD can provide protection and proof of every business personal convensation with: • Briefcase recorders • Micro miniature pocket e-Super long 24 hour recorders - The Pirst

British Telecom Approved telephone recorder

VANCEREAD 62 South Audley St.

London W1 (01) 528-0223 Telex 891 (709)





.eipzig Fair German Democratic Republic

10/16 March 1985

Business—centre-stage at Leipzig, the world centre of business. Leipzig offers the businessman, in one short visit to one city,

\* meetings with top-level representatives of every sector of the GDR's highly-developed industry

contacts with potential customers for his product range from all over the world information about research trends, new techniques, current achievements and know-how

PLUS: specially featured in 1985, the efficient production, processing and consumption of raw materials, fuel and

Leipzig Fair: for worldwide trade and technical progress. Take a journey to success, take a journey to

Accommodation may be reserved in the UK. Inclusive arrangements are available, as well as fly-drive facilities using direct flights by British Airways. For further information contact Leipzig Fair Agency, Dept FT/2 20 Conduit Street, London W1R 9TD. Tel: 01-493 3111





a day - just what you have become to expect from the world leader in executive charter and aircraft management. Jet Aviation - the business aviation service organisation with the most versatile fleet of 45 executive aircraft at your disposal: 1 Beech King Air 200 - 1 Mitsubishi 2 -

5 Citation II - 2 Learjet 35 - 1 Learjet 36 - 5 Falcon 10 - 6 Falcon 20 - 7 Falcon 50 -7 Gulfstream II/III - 1DC-9 - 1 Boeing 737 -5 Boeing 727 - 2 Boeing 707 - 1DC-8/72.



### **WORLD TRADE NEWS**

The first new mass-produc-

The Amhessador has been

updated with an old Veuxhall Victor hody from the UK and will have an Isuzu engine from Japan next year. The Padmini is to be similarly revamped with a Fiat 124 body and Nissan engine.

Both companies then want to

2000 cc with Isuzu end Nissan, so ahandoning thair old Euro-

pean links and sealing the Jopanese dominance for the

time being at least on the mass

The complex will he able to

Reliant of the UK.

Nissan engine.

production market.

Gandhi's licensing policies are attracting car manufacturers, John Elliott reports

# BL to put Rover 2000 to Indian test

THE LONG sleek lines of Britain's Rover 2000 car will be Jaunched on to the roads of India this summer, marking a bid by BL to maintain a toe
The main concessions allow

foreign exchange on imports of companies bid by BL to maintain a toe-hold in the Indian motor Industry which has become wheeled vehicle to produce any wheeled vehicle to produce any

BL's Land Rover might be produced in India later. Indian companies are also talking about possible joint manufacturing ventures to Mercedes, Peugeot, Volkswagen and other European companies in the wake of a series of deals involving almost every Japanese automotive manufacturer.

The Rover 2000 is heing produced by Standard Motor of Madras, an Indian company, in a £14m deal with RL. An imported model is drawing crowds at an engineering trade fall in New Delhi this restricted. fair in New Delhi this week, and production will start in July, with 68 per cent of the car manufactured in India.

Most motor car manufacare reviewing their expansion plans following major relaxations of the Government's industrial licensing policy. The Government is allowing companies to react faster ond mora flexibly to

A STATE OF THE STA

STATE OF THE STATE

)mmam

CC LOURERS. ii uu koa wex

an anime tal

company of its kind to set up an offshore oil repair and main-

The company last week

announced its agreement to form a joint project with

The new company, to be called Nan Yan Weir Engineer

Services, will be located in the Shekou industrial zone of

Shenzen in Guandong province about 20 miles west of Hong

The Chinese partners sharing

the 50 per cent share in the company are the Gangzhou.

Marine Geological Exploration,

tenance base in China.

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

almost totally dominated by other four wheeler without havJepanese companies in the past three years.

BL's Land Rover might be wheeler without havpermission. A similar concession has been introduced for

two-wheelers and tractors.

These are among the first major moves on industrial policy made since the new government of Mr Rajiv Gandhi cama to: power.

Similar "broad banding" of industrial licensing has olso been introduced for machinetools, various forms of chemical machinery and for paper and pulp.

Manufacturers can now vary
freely.

their product, mix more freely and can also introduce more models, within their total licensed capacity, provided they have the necessary technical know-But they will still need Gov-

ernment opproval to import technology and components and of expensive foreign exchange deals with overseas motor manu-As in other industries, the

Government'a aim is to use foreign technology to hasten self-reliance. So it insists an indiginisation of production

Weir group sets up China base

WEIR ENGINEERING Services ploration in the South China agreements from the Chinese of Glasgow is to be the first UK Sea.

The Weir group, which has strongly developed its offshore capabilities alongside its more

traditional pumps division, has offshore engineering services in the Middle East and North Sea.

A consultants report on inter-

national oil markets published last week said that the Chinese

offshore sector was poised for a dramatic expansion and could

know-how with better products and more fuel-efficient vehicles is in the interest of Indla, hut just the purchase of CKD kits for assembly operations is not; "says Mr Kapur.

Some critics say that too many licences have already been issued for tie-ups, with the Japanese for India's limited market and that the companies involved—and their component suppliers—will not achieve suffi-cient scales of production to meet international atandards.

Four Japanese companies— Ionda, Yamaha, Suzuki, and Honda, Yamaha, Suzuki, and Kawasaki — are forming two-wheeler joint ventures, in a sector where there ore olready other European ond Indian designs. The capacity licensed by the Government totals 3m units a year. Only im are being produced now. This is expected to rise to about 2m by 1990, so the Government is unlikely to issue any more licences.

A total of 400,000 fourwheelers hove been licensed of which 200,000 are for cars, 140,000 for commercial vehicles (including Mazda, Toyota, Mit-

subishi ond Nissan fro Japan), and 30,000 for Jeeps. \*We have created e situation in which tha ultimate success of this industry depends on the street of the

The strong emphasis hy the Chinese on joint ventures led to the conclusion that the major

opportunities for Western com-panies to supply goods and services would exist for a rela-tively short period.

Judging by the rapid pace of exploration work, the report

said, offshore production areas could come to stream by 1987-

Commercial vehicle com-panies considering using the new licensing policy to enter the car market include Mahindra and Mahindra of Bombay. The company is econ to produce a Peugeot Ught commercial vehicle and might utilise a Peugeot 2,200 engine it puts into Jeeps for the French company's 504 car. Both Bajaj duced in Bombay by Premier, part of the Walchandnagar the market last year when Maruti, a Government-owned company, launched a Suzuki 800 cc model, now heing produced at a rate of 4,000 units a company's 504 car. Both Bajaj Tempo and Telco of Pune are considering a possible deal with Mercedes, which owns a minority stake in hoth commonth ond is 25 per cent indige-nous. The Rover is only the second new model, apart from a fibre-glass hodied saloon made in smell numbers in Bangalore under licence from panies. But Telco has yet to decide whether to go for Mer-

cedes or a smaller model. Ashok Leyland of Madras, in which BL has a financial stake, is studying the four-wheel-drive general purpose vehicle market and might try to introduce the Land-Rover. DCM-Toyota of New Delhi, which is introduc-ing a light commercial vehicle this year, is talking publicly obout launching a Toyota car.

Both companies then want to produce completely new Japanese cars of 1300 cc and 1600-2000 cc with Isuzu end Nissan, so ahandoning thair old Eurocaled the Standard—is being launched as India's first top of the market car. It will probably be priced at about £10,000 and is likely to take customers from Up to now, the two com-the Hindustan Motors models mies have been producing at and woo some Indians away very low volumes—Maruti from the current badge of Suzuki's current monthly rate wealth and importance—an imof 4,000 exceeds the highest ported Mercedes.

Further restaurants in

in Singapore and Japan but was attracted to India by legislation introduced in the past two years which provides concessions for Indians living abroad to invest in India, expatriate some of their

### **Biscuit** factory may follow India Wimpy Bar

By John Elliott in New Delhi

United Biscuits of the UK is considering starting manufacturing biscuits in India if its first venture in the countrya Wimpy Bar in New Delhi -proves successful.

The Wimpy Bar opened last week in New Delhi's fashion-able Connaught Circus Shopping centre serving ham-burgers made of lamb — Hindus do not eat beef and Wimpy's first vegetarian

It has so far exceeded its management's expectations by attracting about 1,000 customers a day in a 68-seat

Franchised by two Indians from United Biscuits' Wimpy subsidiary, it is India's first foreign fast food restaurant and demonstrates growing international interest in India's rapidly growing cou-

There are no major foreignowned biscuit manufacturers in India and United Biscuits could therefore have a ready market if it decided to try to

set up a joint venture. The initial investment in the Wimpy project hotel totals \$4m (£3.6m) including setting up the first restaurant and building a specially designed factory just outside

Further restaurants in Dihi and then in Bombay are planned with a chain of 50 individually franchised restaurants being a possibility "The market is enormous and there is no competition in sight" Mr Richard Claments, a senior Wimpy executive said, pleased to have found a country ignored so far by his main rival, MacDonalds, Wimpy has small operations in Singapore and Japan but

His partner is Mr Sldharth Bhandari, aged 23, whose dip-lomat father, Mr Romesb Bhandari, became India's foreign secretary at the beginning of last week.

# **UK** exporters angry over ECGD credit restrictions for Brazil

BRITISH exporters' efforts to take odvantage of the reviving Brazilian economy are being hampered by severe restrictions imposed, in practice, on the utilisation of recently restored, medium-term credit guaranteed by the Export Credits Guarantee

Complaints are among major British manufac-turing companies that the low "country limit" for Brazil and a narrow definition of the credit a narrow dennition of the credit line's potential use are giving unfair advantages to their competitors, particularly from France and the U.S. After a two-yeor suspension, imposed after the outhreak of the Latin American debt crisis

in lote 1982, medium-term cover was restored for Brazil and

Mexico last December.

In a parliamentary statement at the time, Mr. Paul Channon, Minister of Trade, said the resumption of official cover should assist UK exporters to maintain a stake in countries. maintain a stake in countrie-recovering from debt service difficulties. It should also provide " an incentive to the dehtor

countries to adopt vigorous adjustment policies," he added.
What leaves British exporters particularly frustrated is the interpretation being put hy Whitehall on the Trade Minister's assertion that the new credit would be used to support export "contributing to the economic recovery programme rather than to promote

ment being sold to the defence sector—the most promising growth area in Brazil—are either heing denied or held up in London, with no explanatioo.
Aircraft sales also appear to be
"a grey area" as far as the
ECGD is concerned.

One factor behind the highly selective approach heing adopted by the ECGD is undoubtedly the low credit ceiling available for Brazil. This is realiably said to be only £50m, compared with the \$1.5hn (£1.35hn) provided by the U.S. Eximbank.

Partly as a result of this low ceiling, a queue of potential exporters has developed, mostly in the capital goods sector need ing eight- to 10-year finance.

Medium-term cover previously proivided in support of British contracts in Brazil awarded prior to the deht criais is also still evailable.

But the squeeze on all state spending, likely to continue here for the foreseeable future, means that these credits are unlikely ever to be fully utilised.

In an import market which bas narrowed dramatically over the past 2} years, opportunities for Western companies have hecome much more litmited. such as agriculture, minerals, energy and defence, competition is predictably fierce.

# Brazil begins year with lower trade surplus

BY ANDREW WHITLEY IN RIO DE JANEIRO

BRAZII made a disappointing start to its 1985 goal of a 512bn visible pected in February, because of the trade surplus. Exports were sharply down on recent monthly levels and because of uncertainty among exonly \$570m - balf recent levels.

Although January is traditionally a weak month for Brazilian exports, the worrying feature of last month's performance - from the point of view of the Government and foreign bank creditors - is that it is the with last January helping to keep

a 15 per cent rise in non-oil imports porters over the incoming governcontributed to a January surplus of ment's trade and foreign exchange policies. Last month exports were \$1.64bn.

fractionally down on the same mooth in 1984. Imports of crude oil declined by 22 per cent compared

third month in a row that the all-im-portant trade surplus has declined. \$1.07bn.

#### 1988. The size and output of these fields could only be the subject of speculation, it said. produce 480,000 tons a year of Diamonium Phosphate (DAP) or 600,000 tens of Nitrogen Potassium Phosphate (NPIC) when completed. be the biggest boom since the. The projects will greatly belp Tunisian exports of phosphoric acid and further consolidate the profits, and import machinery. The major Indian partner is Mr Avtar Selhi, an Indian "Optimistic forecasts would The comment was part of a review published by Atkins suggest that capacity in excess Planning as a study of oppor of 100,000 barrels per day might tunities for Scottish offshore be installed annually from links, going back more than a decade between Kuwalt, engineer who is based in Lon- Dragados y Constructiones of Spain and the Dutch company Royal Boskalis Westminster have been ewarded a \$46m con-Siape will provide the phos-Energy Machines and Tools technology companies commissioned by the Scottish Development being used in exhaust production around 1988 onwards, possibly with early production systems employed before this time, but there is little justification for companies in 13 bidding groups any production for equipment being used in exhaust production around 1988 onwards, possibly with early production systems employed before this time, but there is little justification for companies in 13 bidding groups any production for easies, and Knwait's Petrochemical at Zarziz which lies close and the Dutch companies and the Dutch companies and the Dutch companies are production and the Dutch companies are produ

Tunisia wins contract for

BY FRANCIS GHILES, RECENTLY IN TUNES

fertiliser complex in China

THE TUNISIAN state phos- Tunisia will receive cotton and

phoric acid and fertiliser com- wheat from China in exchange

pany Siape has been awarded a for the phosphoric acid. \$50m (£45m) contract to build a Tunisia and Kuwait are also

fertiliser complex in the discussing with Turkey the pos-Chinese province of Hebei, at sibility of building a new \$200m

Kin Huang Dao, hy China's plant which would produce CNCCC, Chinese National Ammonium Nitrate Fertiliser. Chemical Construction Corporation.

Siape is elso hoping to win a contract to revamp and the Turkish fertiliser plant at like and the complex will be able to

at Iskenderun.

tract to build a commercial port

at Zarziz which lies close to

MERCURY · IRI · INTELSAT BUSINESS SERVICE

The first direct city centre-to-city centre satellite data communications link between London and New York.



IBS offers global coverage, and may be used for international and/or domestic applications such as audio and video teleconferencing, high and low speed data transfer, computer aided design, digital voice and data networks, remote printing of newspapers, electronic document distribution, data collection and distribution, and electronic funds transfer.

★ The Associated Press, through its two digital channels, will enjoy enhanced international distribution capability for data and its news services, including AP Jones Telerate and AP Dow Jones Quotron information services.

> IRI and Mercury congratulate INTELSAT for IBS, its latest in a long string of Firsts which include: 1965 INTELSAT launches the first international commercial

communications satellite (Early Bird). 1965 INTELSAT carries the first international closed circuit television programme from Houston to Geneva, showing

Dr. Michael DeBakey performing an open heart operation. 1969 Global coverage is achieved for the first time in June. A month later approximately 300 million people around the world witness the first manned landing on the moon. 1976 INTELSAT carries the Montreal Olympics worldwide; the first time an event is shared by more than a billion people. 1983 INTELSAT's international satellite system carries more than one billion telephone calls in a year for the first time.

INTELSAT -- The Global Telecommunications Co-operative



International Relay Inc., 777 Third Avenue, Suite 504, New York, NY 10017. Felephone (212) 752 4200.

THE DIGITAL DIFFERENCE



#### Hawke faces wave of criticism on return home

By Michael Thompson-Noel in Sydney

AUSTRALIA'S PRIME Minister. Mr Bob Hawke, returned home last night to face his toughest political test since gaining power two years ago.

Last week in Washington Mr Hawke told U.S. officials that Australia would not—after all pley a supporting role in the U.S. MX missile tests in the South Pacific, even though Australia stood by the Anzus defence pact, between the U.S., Australia and New Zealand.

News of Australia's planned participation in the MX tests generated a storm of protest on the Left of Mr Hawke's ruling Labor Party, which was then replaced by opposition protests when Mr Hawke suddenly reversed his position.

Mr Hawke will have to act decisively to dampen Labor unrest, and answer criticism that he is formulating foreign policy on the run.

The MX episode bas damaged Mr Hawke's authority and led to renewed rharges thet he is courting serious trouble by trampling on the anti-nuclear sensitivities of the Left.

At a Cobinet meeting in Canberra today Mr Hawke is expected to supply full details of his MX U-turn and plead for party

 Mr Peul Keeting, Australia's Treasurer (finance minister), said yesterday that Australia's economy was enjoying a more pronounced neswing than at any time in the 1970s.

Real growth this year would be at least 4 per cent and private capital investment was rising sherply while inflation would be beld to around 5 per

#### Dikko kidnap 'almost succeeded'

AN "outrageous attempt" to kidnap exiled Nigerian poli-tician Mr Umaru Dikko in London and fly him to Lagos in a wooden crete almost succeeded, the Old Bailey was told

today, Agencies report.

The plot to kidnap Mr Umaru Dikko, a former Nigerian Trans-port Minister, was foiled only the "remarkably prompt tion" of the anti-terrorist squad and the determination of a Stansted Airport customs officer, said Mr Roy Amlot, prose-

# Asean urges military aid for Kampuchean resistance

BY CHRIS SHERWELL, SOUTH-EAST ASIA CORRESPONDENT, IN BANGKOR

sia, Singapore, Indonesia, the Philippines and Brunei — and was part of a toughly-worded statement on recent Kampu-chean developments.

chean developments.

The ministers later held a separate meeting with the leaders of the tripartite resistance coalition, which groups former Kampuchean ruler, Prince Norodom Sihanouk; Sonn Sann of the Khmer People'e Netional Liberation Front (KPNLF); and Khieu Samphan of the Peking-backed ploted Hanoi's ettacks. It said Vietnam was seeking a military solution in Kampuchea, despite both its professed preference for talks and efforts by the superpowers generally to reduce international tensions.

The six also urged Vietnam to talk directly to the coalition, and reiterated their 1883 call for a withdrawal of Vietnam's The ministers later held a

THE SIX governments of the Khmer Rouge.
Association of South East Asian The meetings coincide with Association of South East Asian Netions (Asean), in a clear shift of public stance, yesterday appealed to foreign countries for military aid to belp Khmer resistance forces fight Communist Vietnamese troops occupying Kampuchea.

The meetings coincide with Vietname's fiercest dry-season offensive against resistance forces since its invasion six years ago ousted the Khmer Rouge from power in Phnom Penh. Over the past three months, thousands of Kampuchean civilians have fled from border encampments into Thailand, Malay-siz Singapore Indonesia, the

The Asean statement apart from condemning Vietnamese incursions into Thailand, de-plored Hanoi's ettacks. It said



Sonn Sann, KPNLF leader

estimated 170,000 troops from with this view, although in sub-Kampuchea, followed by inter-nationally supervised elections.

But the statement's last paraBut the statement's last para-

went on: "The Foreign Min-isters call upon the inter-national community to increase support and assistance to the Kampuchean people in their political and military struggle to liberate their bomeland from foreign occupation."

foreign occupetion."

Asked afterwards if this meant Asean was soliciting direct military aid from foreign countries, Air Marshal Siddhi Savetsila, the Thai Foreign Minister, said emphatically: "Yes." The reaistance forces could not fight with their bare hands, he said, while Moscow sent tanks and weapons to Vietnam.

This is the first time Asean has collectively "gone public" with this view, although in sub-stance its position is unchanged

graph was the most significant. from China in the case of the It reaffirmed Asean's "strong Khmer Rouge, and mostly from support" for the coalition and certain Asean countries in the case of the two non-Communist groups.

Asean hopes the appeal will Asean hopes the appeal will encourage other countries at least to supply non-lethal military aid, food and money to the two groups it backs. Asean's view has long been that there cannot be a political resolution of the Kampuchean problem without increased military pressure on the ground.

Though portrayed as a logical escalation which signals a hardening of position to Hanoi, Asean's appeal comes at a delicate moment.

Last month, the Vietnamese finished wiping out most of the KPNLF's camps on the Thai border, and now Khmer Rouge strongholds further south are coming under military pres-

Khmer Rouge forces, num-bering more than 30,000, are nevertheless reported to have launched successful raids in the launched successful raids in the interior to cut vulnerable Vietnamese supply lines. At the same time, the KPNLF, the larger of the two non-Communist groups, is planning its own campaign of guerrilla warfare, which Asean hopes, will charge the character of the non-Communist resistance. non-Communist resistance.

Ministers, meanwhile, say there has been no Soviet response yet to their Joint demarche to Moscow last week, when for the first time Seviet ambassadors were simul-taneously called in to hear Asean complaints about recent Vietnamese actions.

The move was part of the general effort to maintain pressure on Hanoi, but ministers cautioned that their strategy will take years to bear

vote for opposition candidates, as they did, in the last election in 1981. Because of the election law, however, it is virtually a foregone conclusion that the ruling Damocratic Justice Party will retain its majority of seats in the Assembly. But despite the lack of any real opportunity to overturn the government, the campaign has provoked intense excitement in South Korea, and some are call-ing it a political watershed.

T have never seen an elec-

S. Korean

produces an

outbreak of

free speech

By Steven B. Butler in Seoul

SOUTH KORBAN voters will go

to the polis today to elect e new National Assembly. A substan-tial majority are expected to

election

tion in Korea as wide open, where the controversy is so clear, the criticism as intense," says a diplomat with long ex-perience in the country. "The emotions of the people exploded like e bomb," says an opposi-tion candidate.

Up and down the nation, miltions of South Koreans have attended emotionally-charged open-air election rallies where all candidates fro ma single district address the crowd one after another. And from the opposition parties—especially the New Rores Democratic Party (NKDP)—for the first

Last Wednesday, president of the NKDP, Mr Yi Min-U made an emotional plea for an end to military rule in South Karea before a crowd of 100,000 people in downtown Scoul. A fair number of candidates are

"People are sending a strong message to the army to get the hell out of politics," says e

diplomat.

The campaign is also a testament to the enduring nopularity of Mr Kim Dae-Inng, South Korea's leading opposition politician, who returned to Korea last Friday from two years of extle in the U.S. Opposition candidates throughout the country have eppealed to voters by politicity identifying themselves with Mr Kim.

iranian oil. The country's sup-port for Iran has been deter-mined les by Iranian aid than by President Assad's hatred of the Irani regime, which in the after Mr Kim siepped off the aircraft bas provoked a row be-tween the South Korean and 1970s tried to subvert his U.S. governments, but it may bave little impact domestically. Mr Kim says be does not want to make an issue out of the incident, and news of the affair has so far been kept out of the South Korean Press.

The Government has tolerated this outhurst of free speech, although newspapers and especially the Governmentkept much of it out of the news.

He expects people to continue speaking about controversial issues more openly after the election, even if they do not have the lerge audiences pro-vided by the joint railies.

Mr Kim Dae-Jung says he finds the openness of the cam-paign "tery bopeful." Yet it is unclear how Mr Kim will fit into all of this, despite his towering reputation.

# Shell offshoot finds oil in Syria

time in years they have beard sharp and unrestrained attacks on the Government.

openly questioning the legitimacy of the Government, and they are, for the first time, publicly talking about the Kwangju uprising of May 1980, in which at least several hundred people died.

diplomat.

ing themselves with Mr Kim. The scuffle at Seoul airport

A South Korean political scientist says the ontpouring of criticism bas "broken a taboo."

# South-East Asia's oil and gas sector set for strong growth

leum industry can expect heightened investment and a further strengthening of its competitive position over the next few years, according to a major study about to be released by Petroconsultants of Geneva, Chris Sberwell

The 986-page study deals with oil and gas exploration, production, refining, market-

ing and services for the Asso-clation of South East Asian

Nations (Asean), which groups Indonesia, Malaysia. Brunel, Thailand, Singapore and the Philippines. All six countries are beavily involved

in the industry.

One of the report's significant estimates concerns natural gas. Asean's remaining recoverable reserves are put at 120 trillion (million million) on ft, the vast bulk (34 per cent) in Malaysia and Indonesia. By 1992 the region is forecast to produce the gas oll a day, up 48 per cent from present levels and almost half of all Far East production.

LNG exports are projected to reach 4.06 on ou it a day by 1930, with South Korea and Talwar Joining as customers in what is currently a "Japan-driven" market. Ascan is thus expected to keep its premier position in the LNG market in the 1980s, On oil, the study says

Asean has one-third (11.8bn barrels) of the Far East's remaining recoverable re-serves of crude and conden-sate. Almost half is offshore, and future offshore services in the Far East will therefore concentrate in South-East

The study says six of Asean's 51 hasins have "high" potential, while another ten are "moderate." There are nine known "giant fields," mostly under U.S.

corporate ventures.
Aseau petroleum production in 1992 is projected at around 2.34m barrels a day, 10 per cent higher than at present. Asean will also have more than 290 exploration wells (58 per cent of the Far East, including China) and 465 off-shore development wells (78

shore development wells (76 per cent of the Far East).

In 1990, Asean is expected to take about enothird (US\$9bn-US\$10bn) of the

tion and development in the Far East, including China and

Far East, including China and Australia.

The study says Japan's oil policy in the region will continue to be critically important, while the U.S. is likely to go on dominating exploration activity.

\*\*Corporate oil strategies and country risks: Asean in the 1980s, Petroconsultants Geneva (8-10 Rue Muzy, 1211 Geneva 6, Switzerland; SwFr 14,000).

There has been -speculation

that the find will radically change Syria's economic and

At present the country ex-ports almost all of its produc-

tion and imports a similar amount of crude at a conces-

sionary price from Iran to refine

Whether the oil from the new

find will be sold abroad or used for domestic consumption, it will

make Syria a significant net experter of oil for the first time. Oil revenues of possibly \$1.2m would be equivalent to more than 10 per cent of the 1984 budget and two thirds of apports.

Syria's political stance on the

Gulf war is unlikely to change even if it ceases importing

for domestic consumption.

#### Citibank unlikely to see cut in S. African business BY JIM JONES IN JOHANNESBURG

terminate all business with the South African Government is unlikely to lead to a reduction of the bank's South African business, particularly as Citibank is actively expanding its private sector business.

The decision to cease business with the South African Government followed legisla-tion in New York preventing the city from doing business with hanks which deal in krugerrands or which make loans to the South African Government or state bodies. Mr Tim Wood, Citibank's managing director in Johannes-burg, says that Citibank has

A FINANCIAL TIMES SURVEY

**Private** 

Health Care

The provision of private health care is gaining increasing respectability in Britain. This is in part to do with changes

in the political climate in Britain, which has seen an increasing trend towards privatisation, even in the provision of

services to the NHS. How is the industry taking advantage

of this shift in attitude? How can it be translated into good

growth rates for all involved in the industry? How much

does the industry contribute to the health of the nation, in

terms of jobs, research, equipment, and, of course, the pro-

Order your copy of this eight-page survey

which will be published in the

Financial Survey on February 13th

**FINANCIAL TIMES** 

**EUROPE'S BUSINESS NEWSPAPER** 

Surveys are subject to change at the discretion of the Editor.

vision of primary and preventive health care?

CITIBANK, the world's largest banking group's decision to consortium to provide finance terminate all business with the South African Government is unlikely to lead to a reduction. Mr Wood adds that Citibank had few if any dealings with Sonth African Government agencies as this market was largely held by German and Swiss banks,

At present Citibank has ebout 250 corporate clients in South Africa. Until recently the bank's principal focus was the lending of dollars. However, strategy over the past two
years has been to develop full
service banking facilities Chase Manhettan, the other major New York bank with a representative office in Johanmade no loans to the South nesburg, does not deal with the African public sector since South African public sector.

#### **Minister hints** at tough budget

By Our Johannesburg

THE South African Government will spare no effort in imple-menting the fiscal controls necessary to deal with the country's economic and financial problems. Mr Barend du Plessis, the Finance Minister, said in Cape Town yesterday.

Introducing his Part Appropriation Bill, popularly known as the mini-budget, which is the prelude to the main national budget due to be presented on March 18, Mr du Plessis reiterated Government's guidelines for the presented of the country of the presented of nitroducing his Part Appropriation Bill, popularly known as the mini-bndget, which is the prelude to the main national budget due to be presented on March 18. Mr du Plessis reiterated Government's guidelines for sound fiscal policy and at the same time indicated that this year's budget will be tough. It is reported that work is beginning on linking the field to the unused oil pipeline which runs from Iraq past Deir es Zor to the Mediterranean coast.

The field may this year's budget will be tough.
Government's basic targets

• No increase in real Government spending in fiscal 1985-86 above the R27.2bn (£13bn) estimated for 1984-85;

Eliminating the use of loan fluance for current account expenditure, which will reverse the practice of the past two

years;

■ and limiting the deficit before borrowing to ebout 3 per cent of gross domestic product.

Mr du Plessis told Parliament that the mini-budget should not seen as indicating the

direction to be taken in the main budget. • A demonstration by about 3,000 black schoolchildren in the black township of Seisoville near the Orange Free State town of Kroonstad was dis-persed yesterday morning by armed police.

#### BY MICHAEL FIELD AN IMPORTANT oil discovery has been made recently near the town of Deir es Zor in eastern Syria by the Pecten International Company, a sub-sidiary of Shell Oil of the U.S. The find, which has been the subject of runours in Damas-TURKEY Dair nz Zu cus for some time, has now been confirmed unofficially by

the Syrian Government, On the evidence of three accessful wells drilled so far

The field is by far the most useful discovery made in Syria in some 30 years of exploration.



tion recently. Pecten made its find by drilling deeper on ecre-age relinquished by a Syrian-American subsidiary of the Coastal States Gas Corporation.

# Israeli jets attack Palestinian base

ISRAELI warplanes attacked Palestinian guerrilla base in eastern Lebanon yesterday for the second day running. The intensified air raids come in the wake of the sharp escalation in attacks against the Israeli forces in Lebanon, David Lennon re-

ports from Tel Aviv. In the last ten days, the num-

Four soldiers were killed, and 18 were wounded in the clashes. The target of yesterday's air raid was a training and command base near Shtoura, in the Beka'a Valley, used by the fol-lowers of Abu Moussa, who rejects Mr Yassir Arafat's leader-ship of Fatab. The base was located inside the ares of guerrilla ettacks on located inside the troops in Lebanon Lebanon controlled bу the

The army spokesman in Tel Aviv said that come huts and Soviet-made anti-aircraft bat-

The previous day, Israeli planes bombed a base in the Damascus highway belonging to the Democratic Front for the Liberation of Palestine

DEPRECIATION OF CURRENCY

# IMF blames Lebanese Government's deficit

BY RICHARD JOHNS IN BERUT

RESPONSIBILITY FOR the depreciation of the Lebanese pound is blamed on the Government'e increasing budget deficit as a result of the worsening security situation in a recent confidential report by the International Monetary Fund.

The IMF estimated that government opending amounted to 333 per cent of revenue last year—meaning that the state's actual income only covered 30 per cent of expenditure. The IMF staff report dated January 4 this year calculates that the Government's interest payments on domestically beld debt absorbed 51 per cent of total revenue last year compared with only 6 per cent in

pared with only 6 per cent in Based on consultations held with senior Lebanese officials early in November in Cyprus the gloomy document says the mission "emphasised that the depreciation of the pound was fundamentally linked to the destabilising impact of the large fiscal deficits brought on by the deteriorating security condi-

When the talks took place the L£11.82hn at mounting rates of exchange rate was about L£7.5 interest of more than 18 per to the dollar. At the close of cent now for paper of 12 months treding last Friday it settled et a buyer-seller range of 14-14-50 baving at one point reached 14.90-15.50.

The tendency bere has been to blame the rapid depreciation on speculation. Mr Rashid Karami, Prime Minister, has even hinted darkly of a "conspiracy."

"conspiracy."

The Diff mission report says that "the mission expressed serious concern about the size of the fiscal deficit, and especially about increased reliance on central bank borrowing to Anance it-which bas been a major cause of mounting inflation now reckined by observers bern to be running et

more.
Figures for 1984 released by the Bank of Lebanon, the central bank, showed that Government borrowing from it increased last year by L£6.01bn to L£19.13bn and outstanding Treasury bills to commercial banks rose by L£3.27bn to maturity.

Saying that "efforts must be made to prevent any further deterioration," the IMF team referred to the "perilously low" level of the country's foreign exchange reserves citing the end-November figure of \$725m which, it said, was enough for two-and-a-half

enough for months' imports. At that rate they should now The IMF report is strongly

critical of the way in which the central bank had been meeting the Government's rising import requirements (not the least from arms though it does not say as much) from its own reserves, rather than from the an annual rate of 50 per cent or foreign exchange market. It is believed that corrective ection on this front may have exacer-bated the problem of the Lebenese pound as well as slowing down the rate of rundown of foreign exchange reserves.

On that score the IMF team asserted that the Lebanese authorities therefore had no alternative but to let the "exchange rate carry the bulk of the adjustment builden."

On the foreign exchange here at the weekend meanwhile, bewilderment and some resent-ment was caused when Societe Financiere, the country's only discount house, suddenly lowered its dollar quotation by 35 cents and closed prema-turely for business. Owned by be more or less exhausted but 33 of the commercial banks are believed to still be ebout operating here, Societe Financiere is believed to have been handling 75.80 per cent of dealings bere since the foreign exchange crisis blew up.

It was established initially to develop a secondary market in Trasury bills, and only

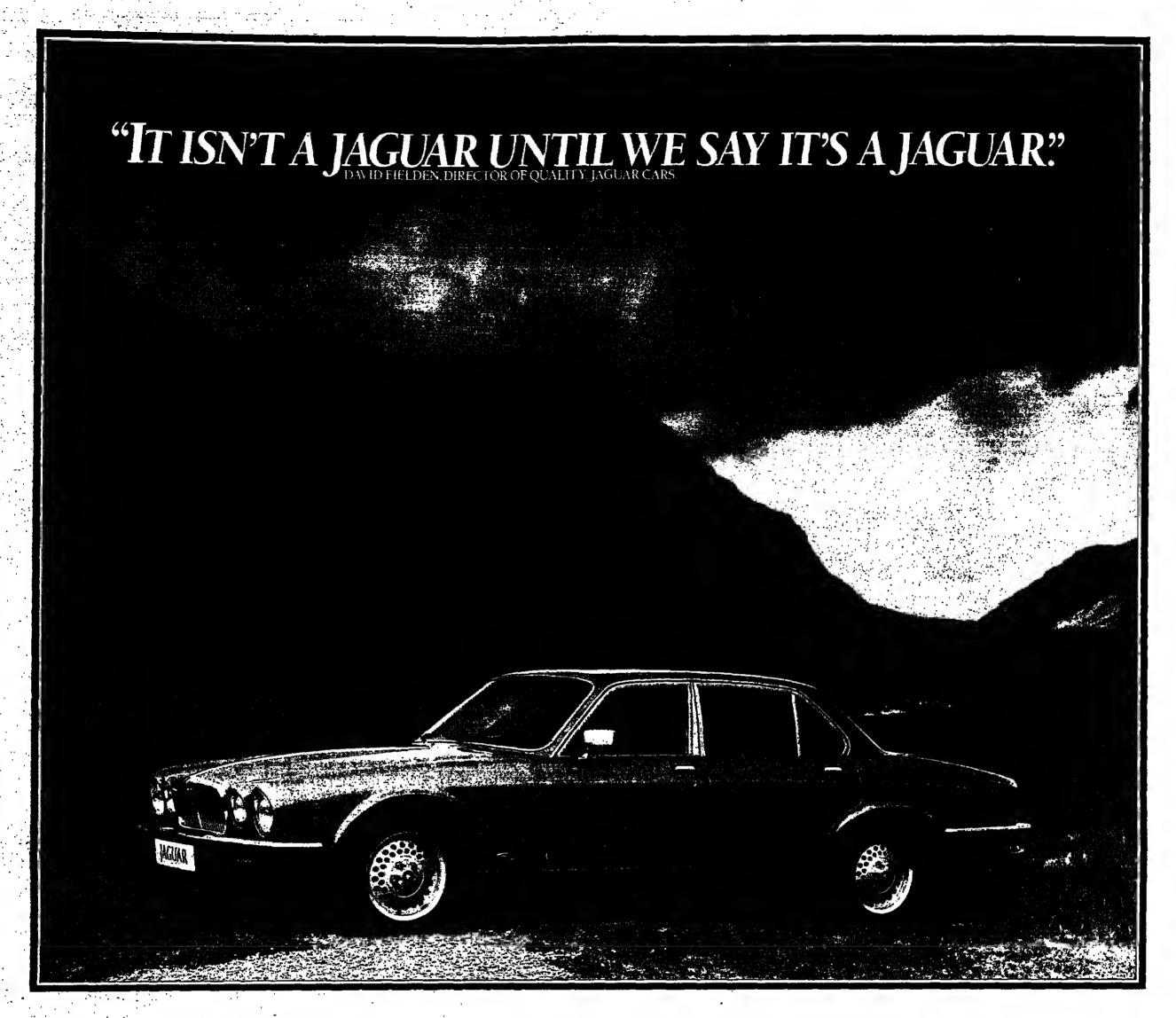
Treasury bilis and only expanded its foreign exchange dealings as a result of the banks "gentleman'e agreement" to calm down speculation. The immediate reaction of some dealers to last week's strange move was to say that the would rely more on inter-bank dealings in future.

#### **Hotel Shilla:** A Memorable Exception

In the heart of Seoul. the Hotel Shills, sur-rounded by beautiful wooded gardens. renders a traditional Korean ambience inspired by the renowned Shilla



TWA to and through the USA here I come. Every day (except Mon. & Tues) to Los Angeles, California TWA flight 761 leaves Heathrow at 11.30, £298 return arrives in Los Angeles at 14.35. And TWA covers a lot more of the Golden State: San Francisco, San José, Oakland, Ontario, Palm Springs and San Diego. TWA flies to over 60 US cities See your TWA Main Agent. See your Leading the way to the USA ek APEX return. 21 days advance booking:



"During the build process, the car passes through 44 major checks before it is finally passed for sale.

This calls for eye and experience, and painstaking attention to detail.

Not unnaturally, it takes time, but it's the best way there is to ensure quality, which in turn ensures success.

And at Jaguar Cars our demand for both is absolute.

You could say it has become an attitude of mind. One that involves everybody. From every one of the people who build the cars, to every one of our suppliers. From foreman to top-management.

It means that our cars are not just checked out at the end of the assembly line, they're checked throughout every part of the manufacturing process.

Every component is tested during development and tested again during production.

We test through thousands of hours of continuous usage: way beyond the normal life span of component or car.

We use specially constructed rigs to test the performance and endurance of everything, from power steering gear to electric aerials. From eliminating the squarks from an ashtray, to ensuring brake efficiency from maximum speed.

We have more cars on environmental test in more places than ever before. In extremes of climate and in the most extreme of conditions.

From temperatures as high as plus 52°C in the deserts of the Middle East, to minus 40°C below freezing in the arctic conditions of northern-most Canada.

A Jaguar must be able to undertake the hottest, coldest, fastest, roughest tests that can be devised by man for machine and overcome them.

A Jaguar must be able to run anywhere in the world, and perform to the levels of engineering excellence for which it is famed.

This is why, every month, we interview more than 100 Jaguar drivers from the UK and from as far afield as Australia and the USA. We ask for their comments, note them, and act upon them.

Our 'customer tracking' research is one of the most important sources of information about our customers, our products, about Jaguar and our dealer network worldwide.

This feedback is more immediate than any service information. And it enables us and our dealers to get back quickly to a customer, when necessary, to satisfy him completely.

This is not only good customer relations, it's good business sense. It allows us to monitor improvements and helps us get our cars right.

It means, too, that we can ensure that Jaguar owners everywhere continue to relax in the quiet ambience of walnut and leather.

Then, and only then, are we prepared to call a Jaguar a Jaguar."

JAGUAR The legend grows

# A tax privilege conundrum for the Chancellor

the crucial electioneering period (to which the possible reduction in income tax rates

Another, by no means unreal, option for employers will be to

leave pensioning for most employees to the State or to the

individuals involved. Already

government policy has dona much to reduce the attractions

of employer-based pensioning.

The major historical reason

for employers undertaking the

rights of those who withdrew

after five years, while Mr Norman Fowler, Social Services

Secretary, now proposes to require some index-linking of

these vested rights. Both changes are admirable, but they

have clearly reduced the value

improvements necessary for contracting out of the state

scheme have substantially increased the cost of occu-

pational savings. The tax reliefs remain as a major incentive for

Also, since 1978, the quality

of schemes to employers.

earnings - related

will also be directed).

of Mr Nigel Lawson's pre-Budget search for a free lunch. The characteristics required in any change are simple: it must yield massive savings by closing up tax loopboles sufficient to finance a large reduction in the bigbly visible standard rate of income tax, yet also be as imperceptible as possible to the voters who are hurt by the withdrawal of the concession.

Life Assurance Premium Relief provided a highly successful dress rebearsal last

year. This year much bigger fish are wriggling on the Chancellor's book. The beat occupational pension schemes receive contributions amounting to around 20 per cent of the income of the members of the scheme, and about half of all employees are members of pension schemea.

The rellefs on pension contributions are, of course, not special to pension funds: such expenses have elways been allowable as employer's costs since the beginnings of the modern income tax; and not to allow similar relief on employee contributions would merely ini-tiate a wholesale move to noncontributory schemes paid for entirely by the employer. The quid pro quo for the Inland Re-venue, now, es in the beginning. is the taxation of the pensions as income at the time of receipt.

The pension funds' pressure ally lower), and hence reduced group (now the National Associtheir average lifetime tax rates. ation of Pension Funds) was, bowever, successful in 1921 in persuading backbenchers to press the Government to include in the Finance Act of that year an additional provision exempting the investment income of funds from income tax. This change had been recommended funds from income tax. This change had been recommended by the Royal Commission on distortion between very similar Income Tax, and was not only uncontroversial, but (at the plicit in the old life assurance time it was introduced) relatively costless. (The annual cost, now running into billions, was originally estimated by the were thus not paralleled in the label of the state of the Inland Revenue at £0.25m!).

coming the inflationary prob-lems of wartime, but a clincher lems of wartime, but a clincher savings from other media likely for the Inland Revenue was that most occupational pensions (then as common among the relatively poor as among well-paid professionals) went to those who dld not pay income

THE PRESENT, extremely favoureble treatment of pension savings ls widely recognised to be a prime target of Mr. Nical January and LESLIE HANNAH reviews the strange converge. LESLIE HANNAH reviews the strange sequence of accidents by which wider tax reliefs on pensions arose and surveys the present policy confusion. His conclusion is pessimistic: Nigel Lawson's opportunism may lead him to taxing the income of funds for immediate tax revenue at the cost of long-run pension policy objectives.

> recognition. The widening of the tax base to bring many middle incomes (and, more recently, low incomes) into the income tax system through PAYE, and the rise in money rates of return with accelerating poat-war inflation led the cost of tax reliefs on fund investment lucome to expand exponentially. nonetheless

Governments nonetheless approved of the continuing spread of occupational schemes beceuse they seemed to conform to broeder social and economic objectives: pension funds encoureged thrift and investment, and promised to reduce the burden of the aged on the aocial escurity system.

Employeea pressed their employers to gain access to the subsidised old age savings they offered. In effect, by giving tax exemption for investment income and paying tax only when the pension was received, they postponed their tex bills to the period of retirement

overall savings rate. The absurd were thus not paralleled in the case of pension funds. With There were many arguments for the concession at that time, ranging from encouraging voluntery saving for odd age, to overwith the mere diversion of

It goes without saying that the hroader approach to tax neutrality for savings—the ex-penditure tax advocated by the Meade Committee-would be far too radical to be tolerated within the present Government's narof the concession and the argu-ments for it changed beyond tives.

Its main strategy is to reduce the highly visible standard rate of income tax to produce a tri-umphant election claim of lower tax rates (without, however, actually reducing the real level of taxation overall: that apparently remains a pious objective, not a feasible attainment). Within this context, taxing the inome of pension funds at a composite rate of, say, 10 per cent is superficially attractive, enabling the Chancellor to recome tax by as much as 5p in

the pound. This would, however, result in a higher rate of tax on pen-sion funds than many of them were paying even before the tar concession of 1921 (when they received relief, under the time-bonoured income tax rules of avoiding double taxation, on thet part of their investment income which went to paying taxable pensions).

The consequences for pension to the period of retirement funds mey, then, be expected (when their income was typically lower), and hence reduced feeed with e choice of reducing feced with e choice of reducing benefits (pensioners ofter have no vested right to presently promised pensions) or of raising contributions from employers or employees. There is, in fact, no free lunch. (on-the-face-of-it odd) task of organising their employees' old age saving is that the penalties of leaving a schema encouraged loyalty and long service. In 1973, Sir Kelth Joseph reduced these benefits by protecting the rights of these who withdrew

The Chancellor might bope that the damage would be long-term rather than immediate. Its impact will certainly be long-run. Money nlaced in pension funds in good faith over past decades will still be there, despite the reduction in the tax incentive which induced the Investment; while funds will be paying the costs for pensions accruing many decades into the future.

However, actuaries typically make reports on the funds at least every three years, and the implications will therefore gradually but ineluctably be brought home to the half of the working population who are scheme members and voters. The pension industry can be relied upon to encourage truth in political singulating and the in political sloganising, and the Chancellor might find a con-tinuous chorus of protest, as employers organising old age pension fund contributions are savings. (The reforms of 1956 increased (or henefits reduced) and the further changes



Mr Nigel Lawson: Will he fix his sights on long-run or short-run reform?

change which will also include now proposed by the Govern-the crucial electioneering ment, will allow individuals to echieve more of any tax benefits themselves, even though they are unlikely, because of Treasury objections to the tax expenditures, to go as far as the similar reliefs for individuals in Gladstonian Britain or Reaganite America). Yet can the Chancellor be

sure that reducing the tax in-centives will not mean the widespready abandonment of occupational schemes without private provision taking their place? The curtailment of schemes is not unlikely. There bas already been no growth in the coverage of pension during which time various pres-sures have reduced their value to employers. (Another alternative would be a reversion to payas-yon-go or balance sheet pro-vision rather than proper funding, and a consequent reduction in the security of pen-sion rights).

Mrs Thatcher's Government may, paradoxically, achieve what Labour Party planners have dreamt of since Professor Richard Titmuss's plans of the 1950s: the enthanasia of private occupetional schemes.

This is not to say that the pensions industry can view the process by which its privileged tax position was built up over in the Finance Act of that year.

There followed several decades of trying to restrict this manifestly unreasonable conces-

in the years following the towards personalised pensions any

clearer than the stension to private sector pension funds. Initially this was supported by private sector interests such as the Life Offices Association and the National Association of Pension Funds, one and a half year's which had no wish to call a sector. One concession stands ont as illogical and indefensible: the tax-free nature of lump sums (up to one-and-a-half year's final salary) taken on retirement. These are now typically one quarter of the value of pension benefits. Yet they clearly breach the reasonable principle that pensions are taxed as they are paid rather.

than as they accrue. The concession has entirely disreputable origins in the cupldity of civil servants pursuing their own selfish interests. In 1909, when Civil Service pension accrual rates were reduced from 60ths to 80ths to finance lump sum benefits for widows, these were also (quite unnecessarily) also peid on reaching retirement age. Civil servants at the Inland Revenue (themselves bene-ficiaries) ruled that the sums should be tax-free. When their successors in 1947 were looking around for reasonable standards by which to stop up loopholes in the tax system being exploited by private sector lump sum pensioning arrange-ments, they naturally saw their

own abuse as reasonable, and became a statutory standard There followed several decades of trying to restrict this

the decades with a conscience sion by limiting its explicit ex-

boles and the Government wished to tidy up its administration. The present position was pusilkanimously accepted by governments, and the lump sum concession was generally adopted by private sector funds in the early 1970s, following clarifying and simplifying legislation.

much less good case for with drawing a concession which should never have been extended. Individuals and funds have adapted their permanents to the right sioning arrangements to the sig-nals given by the Government, and sudden withdrawai would frustrate their reasonable ex-

Equity would, then, require a gradual, phased withdrawal of this fundamentally stily and unnecessary concession. Yet any phasing severely reduces the attraction to the Chancellor, by delaying the tax revenue be so badly needs for his political sleight-of-hand.

The prospects for rational reform of the lump sum loophole are then, no better than they were before when the issue was botched in 1947, 1956 and 1970. The Chancellor may, then, be faced with the anguished choice of doing nothing or doing damage, unless, of course, he wishes to fix his sights on long-run rather than short-run re-

Leate Hachen, is Professor of Business History at the London School of Economics, currently on leave as visiting professor at the Hervard Business School. His snalysis of the growth of pensions in Britain, inventing Retriement, will be published by Cambridge University Press early sext

Englished Towns
Size Town
Model of the Common Town
Size Could be to the County Size Could be to the County Size Could be to the County Size County Siz

Title 1

THE PARTY OF THE P

Tare in M whereorien conten acrodic Ford's The Ford's

#### **PUBLIC RELATIONS**

which bad no wish to gain con-

cesions they considered un-desirable and unsustainable.

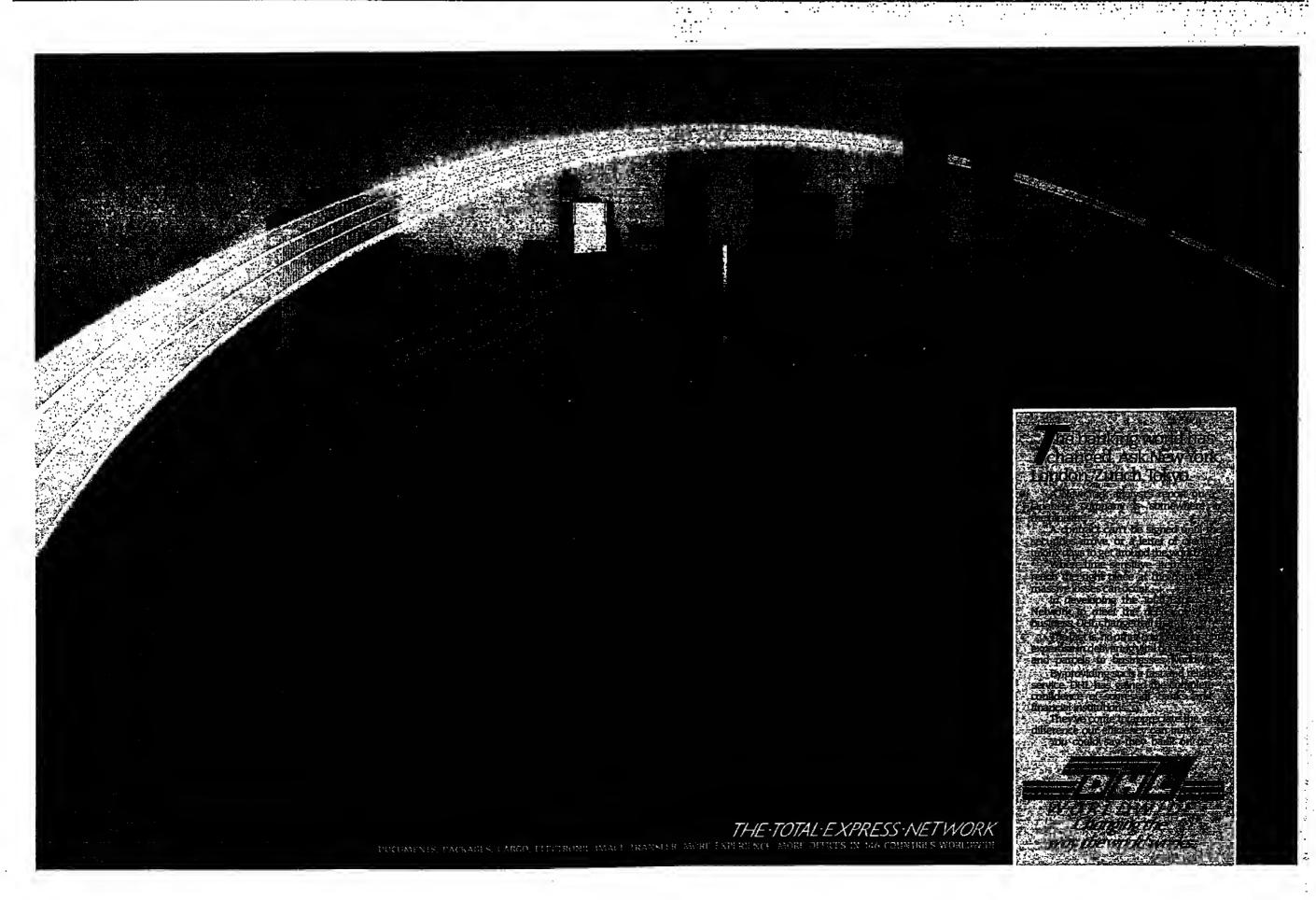
Eventually, however, the pressure from individual funds

to gain the valuable concession induced widespread use of loop-

The Financial Times is publishing a survey on Public Relations on 30th May, to coincide with the PRCA conference.

For an editorial synopsis and advertisement rates, please contact Jack Cheney.

> Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY 01-248 8000, Ext 3389



# U.S. MOTOR INDUSTRY

# Ford recovery still leaves Petersen no time to rest on his laurels

By Kenneth Gooding, Motor Industry Correspondent

sast week threw the most lavish party in its corporate history. At the cost of about \$1.5m it hired one of the sound-stages at MGM's Hollywood studios—where part of "Gone with the Wind" was fined—with the Wind" was fined and invited more than 1.080 guests to celebrate to the time of "Happy Days are Here

Again."

Ford pretended the occasion was the roll out the occasion was the roll out the party of two important new car models, the Ford Taunis and Mercury Sable. But those cars will not be launched with October and nobody at the company's head nobody at the control of the party was a spectacular way to say "thank you and well done." to Philip Caldwell, who has just relired from the charmanship of the world's second largest antomotive group.

Mr Caldwell's achievements in the past hy's years have been spinewhat operation of chryster by the resurrection of chryster by the drainster and uncharacteristic changes being wrought at General Motors by chairman Roger Smith.

Yet, as Ford executives will tell you, Mr Caldwell has supervised the biggest turn-round in corporate bistory since he took the helm only hie years ago.

In 1980 Ford chalked up what

he took the helm only hive years ago.

In 1980 Ford chalked up what was then the biggest annual loss in U.S. corporate history: \$1.5bn. (The record was to stand only a few weeks until Chrysler reported). Ford following with losses of \$1.1bn for 1981 and \$658m for 1982. It trimmed the dividend in 1980 and eliminated it completely in 1982.

Yet for 1983 the company produced a record \$1.8bn net profit—which was topped by a considerable margin last year. Wall Street expects the group to report profits in the region of \$2.9bn.

In 1979 Ford was an excep-

MONS

ng 2 saver

ರ ಯಾಯಕ್ಕಾ

advertisett

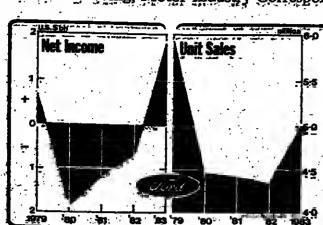
\$2.9bn.
In 1979 Ford was an exceptionally strong company manicially. There was \$4.7bn of cash in the balance sheef and

Mr Caldwell as chairman.
"When you look at where Europe and the Fiesta project
Ford used to be and where it was set in motion).

At the same time Henry Ford

At the first bouts When you look at where Ford II experienced the first bouts ought to be today, that's a of the heart trouble which has different story," says James plagued him ever since and bewonack, of the Massachusetts gan to relax his firm grip on the company of the heavy of the massachusetts. Institute of Technology.

answered about Ford's new cars and whether the North American customers will take wholeheartedly to their purposely aerodynamic shapes; about Ford's ahility to cope with General Motors' aggressive and revolutionary approach posely aerodynamic shapes; about Ford's ability to cope with General Motors' aggres-sive and revolutionary approach to car manufacturing in the to car manufacturing in the the president was threatening Ford continued to invest heavily U.S. and about Ford's position his (Ford's) power base within in new products, \$15bn world-



in Europe, once the corporation's big maney earner but
now a loss-maker.

In the Far East Ford same
time ago turned what seemed
endemic losses into big profits
by having its cars built in lowcost Japan-by its 25-per-cent
owned associate Mazda-rather
than high-cost Europe. In
extremia the company is bound
to remember that exercise and
already is providing low-cost
Escorts to the Scandinavian
merkets from Brazil.

Five years ago it was the
North American operations
which were giving Ford concera. In the mid-1970s the U.S.
Government completely unsettled the motor industry with
a welter of legislation covering fuel economy, environ-

the company. Many observers at the time any the dismissal as supply ampther personality clash. There were nearly enough ex-Ford presidents, fired by Henry Ford, to form a cluh: Ernest Breech in 1960, Arjay Millar in 1968 and "Bunkie" Knudsen in 1970 had all chruptly departed hefore Mr lacocca.

But when Henry Ford named

Iscocca.

But when Henry Ford named Mr Caldwell as his successor—the first chairman who was not e member of the family which founded the company in a Betroff waggen factory in 1993—it signalled that he thought the company needed someone with very broed, world-wide experience at the top to run the business in the 1980s.

Mr Caldwell is a model of the



the full story. There is still a cars mean small profits." (But great deal to be done by he gave way to the weight of Donald Petersen, who succeeds evidence which showed the communication of the pany needed a small car in pany needed a small car in Europe and the Fiesta project

There are questions to be in the autumn of 1978 the answered about Ford's new cars redoubtable and flamboyant

cash in the balance sheef and the company's net worth was \$10.6bn. By 1982 the haemorrhage of losses had cut the cash pile to only \$1.3bn and the net worth to \$6hn. Since Ford pile to only \$1.3bn and the net worth to \$6hn. Since Ford pile to only \$1.3bn and the net worth to \$6hn. Since Ford pile to only \$1.3bn and the net worth to \$6hn. Since Ford pile to only \$1.3bn and the net worth to \$6hn. Since Ford pile to meet the regulations, the net worth to \$7.5bn.

And in the U.S. car market ford lost share almost as last cars in general suffered when as it lost money. It tell from they were compared with the 25.6 per cent in 1981. Last cars in general suffered when they were compared with the year the company clawed its way back to an 18.8 per cent share, a full 1.5 percentage points above the 1983 level.

While the statistics tell a great deal, they do not reveal the full story. There is still a great deal, they do not reveal the full story. There is still a great deal, they do not reveal the full story. There is still a great deal, they do not reveal the full story. There is still a great deal, they do not reveal the full story. There is still a great deal, they do not reveal the full story. There is still a great deal, they do not reveal the full story. There is still a great deal, they do not reveal the full story. There is still a great deal, they do not reveal the full story. There is still a great deal, they do not reveal the full story. There is still a great deal, they do not reveal the full story. There is still a great deal, they do not reveal the full story. There is still a great deal, they do not reveal the full story. There is still a great deal, they do not reveal the full story. There is still a great deal, they do not reveal the full story. There is still a great deal, they do not reveal the full story. There is still a great deal, they do not reveal the full story the full story

10.5m in 1979 to 8.9m the fol-doubts about Ford's ability t lowing year, to 8.5m in 1981 and match GM on the manufacturin only 8m at the bottom of the pit in 1982.

Mr Caldwell appointed Harold "Red" Poling as head of North American operations with in-structions to cut costs to match expected demand.

Ford closed seven plants, dis-missed 40,000 shopfloor workers gan to relax his firm grip on and 20,000 salaried staff, taking the company.

and 20,000 salaried staff, taking out whole layers of middle management in the process. The company's annual running coats

wide between 1980 and 1984 and on research and development.

\$9 m in the sama period.

In the autumn of 1980 Ford introduced its new, small, world; car, the Escort and in 1983 launched the Tempo, Topaz into the medium sector, where it had been weakest of all.

Ford's recovery in North America was so impressive that rumours began to circulate isst year that Mr. Poling might succeed Mr. Saldwell as chairman, "leaptrogging" the president, Mr. Petersen.

(a Mensa member) enginebr with an MBA from Spanford university whe joined Pord in 1949. In public he has an affable easy manner which contrasts with Mr Caldwell's rather aus-

tere qualities."
Mr Petersen is a "hands or executive who has attempted to impart to other Ford people that cars can be exciting to drive. Mr Poling, on the other hand, is much more aut of the Caldwell mould, with a Anckground in finance.

tha DRI consultative group, points out: "In 1976 Ford gro-duced 5.3m yehicles and made \$18m. During Caldwell's tenure costs.

During Caldwell's tenure costs. During Caldwell's tenure costs were reduced so significantly that the company could withstand practically everything the sales cycle could throw er it."

Mr Petersen will have no time to rest on his leurels.

time to rest on his leitrels.

Nobody expects any significant changes in direction following the change in senior management and much of the strategy is in place. The problems in Europe are being attended to by Bob Lattz whoreports directly to the president, and was aent back last summer to take over again as chairman of Ford of Europe.

In North America, Ford has given up matching 6M model for model and gone its own way with aerodynamic styling for the Tempo/Topaz which Europeans recognise instantly as being close to that of the Sierra.

However, just as Europe has not taken wholeheartedly to the:
Sierra, so many U.S. customers

Sierra, so many U.S. customers are wary of the new Ford styling. The Tempo/Topaz is by no means a failnre but so far it has not been as successful as Ford boped.

In the U.S. there are some side of the business. GM has five new or completely revamped plants, using all the very latest technology. GM has teamed up with Toyota, Japan'a largest car maker, for a joint project and to share mutual

GM has its highly-publicised Saturn project to produce a small car profitably in the States hy using a revolutionary

procedure.

Ford has no new or completely revamped plants in the U.S. Yet it must get its productivity up and costs down even further.

According to DRI'a Dr Hammond, the \$2,000 difference in production cost of a small car between Japan and U.S. increases with the size of the vehicle: to \$4,500 for medium-sized cars for example. He believes that if GM matches the cost of small Japanese cars with Saturn, the Jepanese will simply move upmarket and GM will have sacrificed profitshle medium cars for unprofitable small ones. Ford would not escape this change.

Ford's reluctance to speak up for the same might

for Itself on this issue might well be because it does not want to spell out its various options too clearly.

It certainly does not make good reading for the U.S. union, the UAW. Some observers are convinced that by the late 1980s Ford could be filling about 25 per cent of its car requirements in the U.S. from "offahore:"

subsidiaries.
Ford has been working on its global strategy for years with the aim of getting more efficient use from its design, engineering and other resources eround the world and co-ordinating the efforts of its far-flung sub-

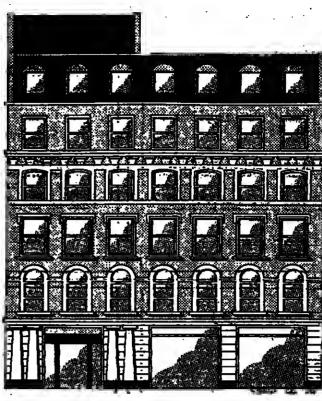
sidiaries.

Boh Latz dubs the approach "doing things only once." For example, in crude terms it seems that Ford will design and develop small cars in Europe and Japan through its links develop small cars in Europe and Japan, through its links with Mazda which are getting ever closer in the so-called Alpha project, similar to GM's Saturn. Big cars will be developed in the U.S.

Mr Petersen says that Ford's "world truck," built in Brazil with European panels a North

with European panels, a North American chassis and a diesel engine developed by Ford's agricultural tractor organisa-tion, could possibly point to the shape of things to come and illustrates the way the company can draw on the best from its resources anywhere in the

He has been carefully putting this strategy into place for several years. There is nothing to suggest that he does not intend to follow it through, now he has moved into the chair-



# Your Finnish contact for business

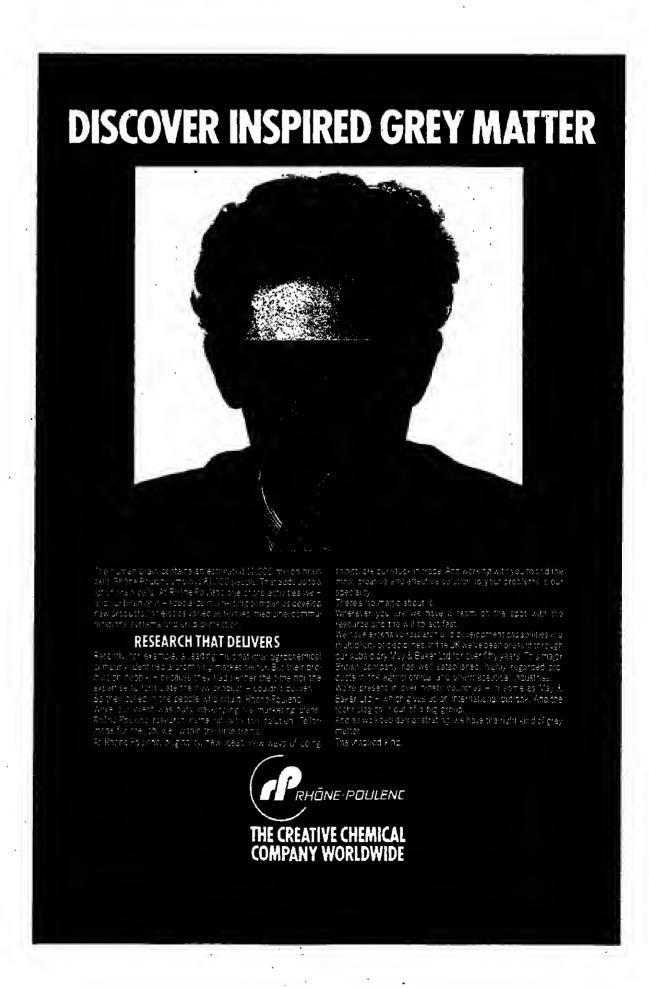
Union Bank of Finland Ltd takes pleasure in announcing the opening of its London branch. The bank has traditionally been a leader in Finnish international banking, and the establishment of the branch in the City marks an important step forward in the expansion of the bank's participation in the international financial markets.

As a major house-bank for both large and medium sized companies and a major institution in the Finnish capital market Union Bank of Finland is a natural contact to the expanding Finnish concern.

We look forward to hearing from you.



# UNION BANK OF FINLAND



SWEDEN HAS MORE INDUSTRIAL RO-**BOTS PER WORKER** THAN ANY OTHER COUNTRY IN THE WORLD.

VOLVO IS SWEDEN'S GREATEST ROBOT USER.

VOLVO

#### U.S. \$100,000,000

The Sumitomo Trust Finance (H.K.) Limited (Incorporated in Hong Kong) Guaranteed Floating Rate Notes Due 1994



Guaranteed as to payment of principal and interest by

The Sumitomo Trust and Banking Company, Limited (Incorporated in Japan)

In accordance with the provisions of the Notes, notice is hereby given that for the six month Interest Period from 11th February, 1985 to 12th August, 1985 the Notes will carry an Interest Rate of 9½% or per annum. The interest amount payable on the relevant Interest Payment Date which will be 12th August, 1985 is U.S. \$470.80 for each

> Credit Suisse First Boston Limited Agent Bank

U.S. \$40,000,000



#### Genossenschaftliche Zentralbank Aktiengesellschaft

Floating Rate Notes Due 1989

In accordance with the provisions of the Notes, notice is hereby given that for the three month Interest Period from 11th February, 1985 to 13th May, 1985 the Notes will carry an Interest Rate of 9½% per annum. The interest amount payable on the relevant Interest Payment Date which will be 13th May, 1985 is U.S. \$23.22 for each Netter of U.S. \$1000 Note of U.S. \$1,000.

> Credit Suisse First Boston Limited Agent Bank

U.S. \$20,000,000

# DnC

#### Den norske Creditbank

Floating Rate Subordinated Capital Notes Due 1990

In accordance with the provisions of the Notes, notice is hereby given that for the three month Interest Period from 11th February, 1985 to 13th May, 1985 the Notes will carry an Interest Rate of 91% per annum. The interest amount payable on the relevant Interest Payment Date which will be 13th May, 1985 is U.S. \$23.38 for each Note of U.S. \$1,000.

Credit Suisse First Boston Limited Agent Bank'

U.S. \$40,000,000



#### Christiania Bank og Kreditkasse

(Incorporated in the Kingdom of Norway with limited liability)

Floating Rate Subordinated Capital Notes Due 1991

In accordance with the provisions of the Notes, notice is hereby given that for the three month Interest Period from 11th February, 1985 to 13th May, 1985 the Notes will carry an Interest Rate of 91% per annum. The interest amount payable on the relevant Interest Payment Date which will be 13th May, 1985 is U.S. \$23.38 for each Note of U.S. \$1,000.

> Credit Suisse First Boston Limited Agent Bank

### **Private Client Business**

Major City-based and nationally-known institution specialising in fund management, pensions and life insurance wishes to acquire existing private client portfolio management business.

Please reply to Box A8904. Financial Times, 10 Cannon Street, London EC4P 4BY.

#### SECURITIES DE-REGULATION and the FINANCIAL SERVICES REVOLUTION

Considerable restructuring has already taken place by banks, brokers end financial institutions to meet the challenge of the BIG BANG in 1986, The urgant need now is to sell their benefits to the wholesele markets around the world.

forthcoming issues of The Banker will be discussing these moves and opportunities in great detail. They will also be providing a unique opportunity to edvertuse the full range of earvices you now provide. Your advertising will be reaching senior management in international banking worldwide. People who use London's money, securities, torex, futures, commodities and insurance markets daily. If you would like to advertise within this important series please contects

The Marketing Director, THE BANKER

102 Clarkenwell Road, London EC1 Tel: 01-251 9321 Telex: 23700

### **APPOINTMENTS**

# Unilever makes changes

Mr Gny Walker, at present chairman of Batchelors Foods, will move to Van den Berghs & Jurgens, to take over as chairman from Mr Ian Grant during April. Mr Grant has been appointed a memher of UNI-LEVER'S overseas committee. Prior to joining Batchelors Foods almost three years ago, Mr Walker was marketing memher of Unilever's food and drinks co-ordination.

Mr Roland Staeheli has been appointed head of the new representative office in London of the Lugano-hased BANCA DELLA SVIZZERA ITALIANA. Mr Staeheli joined last December from Swiss Volkshank, where he was London representative.

low voltage controlgear systems section of GAMBICA. He succeeds Mr G. F. (Fred) Webster, of GEC Industrial Con-

Mr John M. Guilbert, controller of general accounting services of CENTRE-FILE, has heen appointed a director of the company, computer services subsidiary of Netional Westminster Bank.

BAYER UK has appointed a new chief executive to head its rubber division, hased at New-hury. Mr Juergen Linnemann who also becomes a directors of Rayer UK, takes over from Mr Ray Kaufman, who is preparing to take over another key role in Bayer UK's management.

The FRIZZELL GROUP has anpointed Mr Roland Sperryn-Jones, as managing director of the international broking divi-sion. He joins from Jardine Insurance Brokers where he was deputy chairman of the North American non-marine division of Landing Glavvill Jardine Glanvill.

Mr Chris Pettett, managing director of Peakdale, has been elected chairman of the ALUMINIUM FOIL CONTAINER MANUFACTURERS ASSOCIATION in succession to Mr Ron Cook, managing director of Bacofoll Containers.

Mr Stephen J. H. Maud haa been appointed chief executive of Thomas Preston Manchester of Toomas Freston Mancoester (TPM). a member company of SMURFTT print and packaging division, Mr Francois Ellet bas heen appointed chief executive of Swain's Packaging, a newly-acquired member of the division.

NORTON OPAX. Harrogate, bas appointed Mr Philip Cashing as marketing director and Mr Norman Flanigan as personnel director. Mr J. S. Heaton is to retire as a non-executive director although he will retain his links

with the company in a consulta-tive capacity. Mr Cushing joined as group marketing manager in 1984 from Moduler Systems, where he was managing director. Mr Finnigan was group person-nel manager.

ALEXANDER HOWDEN UNDERWRITING has appointed Mr A. K. Giles as underwriter jointly with the present under-writer Mr G. K. Knight of Marine Syndicate 831. Mr Giles was deputy underwriter.

Lugano-hased BANCA DELLA
SVIZZERA ITALIANA. Mr
Staeheli joined last December
from Swiss Volkshank, where he
was London representative.

\*\*
Mr Roger Dunn, managing
director of Arcontrol, has been
appointed chairman of the
low voltage controlgear systems

\*\*
Mr Michael Keevill has hecome
manaeing director of ARROW
PLASTICS. He was joint MD
with Mr Stanley Brain, chairman
and company founder. Mr
Richard Oliver is promoted to
denuty managing director in
addition to his responsibility as
director of manufacturing.

\*\*
Mr Mike Elmas has been Mr Michael Keevill has hecome

Mr Mike Elmes has been appointed technical director for MASSTOR SYSTEMS. He was with Honeywell as branch systems manager.

Mr W. Brian Griffin bas been appointed to succeed Mr Norman Reeves as chairman of THE BUILDER GROUP in October. Mr Griffin is chief executive.

#### **Board posts** at Gateway

Mr P. G. Petridis, Mr D. Reld, Mr M. J. Sommers and Mr A. Thomson are joining the hoard of GATEWAY FOODMARKETS. Mr J. F. Ridgewell joins Gateway as assistant store operations way as assistant store operations director in the enlarged operations structure, and Mr J. T. Sheldrake is appointed company secretary of Gateway. Mr Alan Thomas, currently trading director, has heen appointed deputy managing director of Linfood Cash & Carry; and Mr Charles Collins, currently trading manager, becomes buying director. All are Dee Corporation companies.

RENDEL PALMER & TRITTON has appointed a new manager for the subsidiary firm graph of the director to lis subsidiary firm graph for the subsidiary firm graph

He has been with Monenco since 1965 holding positions in Canada

Mr Charles Lenox-Convugham Mr Charles Lenex-Conyngham has been appointed managing director of PRICE & PIERCE GROUP, a subsidiary of Sears World Trade Inc. He was en executive director of Ocean Transport & Trading and managing director of its marine division.

Mr Michael Green and Mr David
Tetlow have heen appointed to
the hoard of HMT COMPRESSED
AIR SERVICES, Burntwood Mr
Green was general manager, and
with the company, which he
joined in 1977. Mr Tetlow was group service manager.

Mr Steve Baverstock has been appointed sales director of WEY DISPLAY MATERIALS. He was sales manager. Wey Display Materials ia a subsidiary of the Pollock & Searby Paper Merchanting Group.

Mr Graham Mass has been annointed director. operations (designate) from Fehroary 25 at WELBECK LEASING SERVICES. He was with H. & H. Factors as financial director. Welheck Leasing Services is a wholly-owned subsidiary of Welbeck Finance.

Mr R. J. Whitehouse has become director of BACOL FINE BLANKING, Bromsgrove, a Metalrax Group company. He was commercial manager with responsibility also for purchasing and production control.

Dr Mauro Beltrandi and Dr Herbert Westerhausen have been co-opted to the hoard of PREMIER CONSOLIDATED OIL-FIELDS. Dr Westerhausen was managing director of Deminex UR, the German national Oil company, and Dr Beltrandi was vice-president for foreign ex-ploretion of Gulf Oil. The ROYAL INSTITUTION OF

manager, becomes buying director. All are Dee Corporation companies.

\*\*TI.O-PAR (UK), part of the Macfarlane Group (Clansman), has appointed Mr Peter Connor as managing director. He was director in charge of sales and production.

The ROYAL INSTITUTION OF CHARTERED SURVEYORS has appointed Mr Michael A. Pattison as secretary general from July 8 when Mr Robert, Steel retires. Mr Pattison is bead of establishment and organisation department of the Overseas Development Administration.

Mr David Adams, Mr Paul Hunt and Mr Gordon McCall have been appointed directors of R. M. PATEMAN UNDER-WRITING AGENCIES.

managing director of the tradlog

Mr Michael Gaherty has been appointed marketing and projects director for COMPUTER FIELD MAINTENANCE, the third party computer maintenance subsidiary of the IAL group

Mr Bruce A. Durning has been appointed managing director of BABTIE ELECTRICAL AND MECHANICAL SERVICES, a newly-formed subsidiary of Babtie Shaw & Morton. He was with the Scottish Development

NUFFIELD HOSPITALS has appointed the Earl of Airlie and Sir Peter Lane to the board. Lord Airlie was until recently chairman of Schroders. Sir Peter is senior partner of Binder Hamlyn

#### Kenning Group sales chief

Mr T. F. (Terry) Ward has heen appointed group sales development director and Mr R. P. (Boh) Frost has been made divisional director of KENNING CAR AND VAN HIRE. Mr Ward, who was divisional director will be responsible for co-ordinaling the sales development activities of all the divisions of the Kenning Motor Group.

Mr J. Burnett-Stuart has resigned as chairman of ROBERT FLEMING INSURANCE BROKERS and as a director and has heen succeeded by Mr P. L. B. Stoddart. Mr J. D. Drysdale has been appointed a director.

Mr Geoffrey A. McHngh has been eppointed to the board of TDC CIRCUITS as production director. He was production

HIGGINS & DOBLE, Lloyd's underwriters, has appointed Mr Alan G. Lloyd, Mr Gregory F. Quail and Mr Geoffrey D. Wilding and Mr Geoffrey D.

Mr Peter G. Pollock has been appointed financial director of ML HOLDINGS from March 4.

Mr Brian Parsons has been appointed sales director of ANTON DOMESTIC APPLI-ANCES. He was marketing ANCES. He was marketing manager. Anton is a Unigate subsidiary.

Mr Geoffrey A. Ball, group managing director of The City of Aberdeen Land Association, has been invited to join the board of STENHOUSE WESTERN as a non-executive director. director.

Hant and Mr Gordon McCall have been appointed directors of R. M. PATEMAN UNDERWRITING AGENCIES.

Mr Tony Wicks has been appointed a director of united and inter-scive technology services at BRITISH PRINTING & COMMUNICATIONS CORPN. He was managing director of Molinare Holdings.

......

พe∐ ∖

stack

Our luxurious, wide-bodied seats provide longer legroom for a long stretch. Add thoughtful service, gourmet meals and you have total comfort. We are, in fact, what many call First Class.

# MAS 747 BUSINESS CLASS. TER THE MEAL. AFTER THE MOVIE. THE BIG STRETCH.



MAS WELL TREAT YOU LIKE GOLD

# WILL THE NEW 740 UPHOLD THE VOLVO TRADITION?

The car on the bottom is Volvo's new 740 saloon.

The cars on the top are Volvos from the past, all noted for their strength and solidity.

As you can see, the 740 is not at all burdened by this reputation.

(In fact, it could have taken the weight of three more cars with ease.)

It's built around an incredibly strong, steel safety cage.

Even the roof is reinforced with box-type profiles that effectively act as roll bars. (You can imagine how effective they'd be.)

But if the 740 has all the traditional Volvo virtues (including power assisted steering) it also has some attractions of its own.

Its 2.3-litre engine is remarkably free of internal friction. (This makes it both fast and frugal.)

The new interior takes 5 in comfort, with more elbow room in the back seat than a Daimler.

The rear suspension is patently so much better than the competition we took out a patent.

You can judge all these attractions (and more) at your Volvo dealer now. It's well worth a visit.

Any car that can survive at the bottom of our stack ought to be on the top of your list.

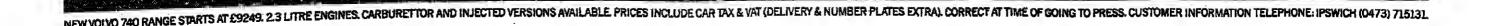
To: Volvo, Springfield House, Mill Avenue, Bristol BS1 4SA.

Please send me further details Mr/Mrs/Miss

MIT/MITS/IV Address\_\_

\_Postcode

THE NEW VOLVO 740. FROM £9249.



# Producer prices rise by nearly 1% over month

BY MAX WILKINSON AND MICHAEL PROWSE

PRICES PAID by manufacturing in labour-saving machinery and industry rose hy 0.9 per cent be-tween December and January and Spending in Britain's by 8.4 per cent over the year to January. This compared with s rise of 9 els in December. per cent in the 12 months to Decem-

Figures, from the Department of Trade and Industry, showed some slight acceleration, however, in the rate of increase in industrial selling prices, from 6 per cent in the 12 months to December to 6.2 per cent in the year to January.

For toanufactured products other than food, drink and tobacco, the 12 month increase in selling prices rose from 5.7 per cent in December to 6.3 per cent in January.

Although these figures do not sppear to show any substantial increase in inflationary pressure in recent toonths, the Government remains anxious that the recent falls in sterling will tend to put upward pressure on prices this year.

The rise in manufacturers' buying prices is also uncomfortably high in comparison with the dotoestic inflation rate, which was 4.8 per cent in the year to December and is projected by the Treasury to re- in some areas which caused early nain at about that level this year.

In the last two years, manufactur- ship chain of department stores ers bave been able to absorb part of which is regarded as a barometer of the rise in materials and fuel prices retail sales, said that business in and the 8 to 9 per cent rise in aver- the four weeks to February was age earnings, through higher effi- "above estimate" and up 13.6 per ciency. This bas meant investment cent

# Over 1,100 miners abandon strike but trend slackens

THE NUMBER of miners abandoning the 11-month strike to return-to work for the first time fell markedly yesterday.
The Nstional Coal Board (NCB)

claimed that 1,190 broke the strike compared with a record 2,318 for the same period last week. NCB managers were blaming a

number of factors for the sharp fall, although officials of the National Union of Mineworkers (NUM) were claiming that the reverse was a

Bad weather deterred many miners from coming back yesterday, ac-cording to the NCB, which pointed to the fact that many parts of the

The NCB also said that the regional days of action sponsored by the Trades Union Congress (TUC) in support of the miners had also had an effect, not because they that last week's public link between her to a big way. The vast majority were successful in attracting many the NUM and the pit deputies' of miners are still out."

MASS PICKETING of five South

demonstrators but because the pos-sibility of such demonstrations some hopes of a hreakthrough in might have had a deterrent effect talks. Others discounted this, claimon those thinking of going back to ing that few miners had much faith

NCB managers thought that dem-onstrators taking part in the days of action had swelled the coalfield picket lines in some areas. West Yorkshire police confirmed this, and said picketing throughout the country had been "heavy," with

perhaps an estimated 3,000 pickets n operation overall. The single largest picket was at "really big extension of Emley pit, near Wakefield in York-action" to support them. shire, where there were an estimated 350 demonstrators. Two people

Glasshoughton colliery near Castle-

now in the prospect of further nego-

The slump in the numbers returning was general, apart from in the predominantly working area of Nottinghamshire.

Mr Tony Benn, a leading leftwing MP, claimed last night that miners were "on the eve of a major victory," and called for a "really big extension of industrial

Mr Benn, a former Energy Secre-tary, told a TUC rally: The tide of were arrested for public order of public opinion is at last turning in fences, with two more arrested at favour of the miners.

"Mrs Thatcher'a vicious plan to veto talks and her hopes of humil-Senior NCB officials also thought lating the NUM have backfired on

# boosts campaign for open government

BY RAYMOND HUGHES

THE EIGHT men and four women in the Old Bailey jury who yester the documents out of his duty to the day unanimously acquitted Mr state was no defence in law to the Clive Ponting of an offence under section two charge, he said. Mr Dal-Section two of the Official Secrets Act, have almost certainly sounded blow for the campaign for more

It is hard to see how any more prosecutions can be brought under the section, which has long been criticised, even though it would be theoretically possible so long as the section remains on the statute

The jury's apparent rejection of the trial judge's narrow definition of "the interest of the state" in the section as meaning the interest of the government of the day suggests that they regarded a civil servant's duty as being to Parliament as a whole rather than to the, possibly political, interest of his minister or

department.
Mr Ponting was charged that, having in his possession or control information obtained by him, or to which he had access, owing to his position as a person who held office under the Crown, he "communicated such information to a person other than a person to whom he was authorised to communicate it, or to whom it was, in the interest of the state, his duty to communicate it."

The prosecution argued that an MP such as Mr Tam Dalyell, to whom Mr Ponting sent two docu-ments concerning the sinking of the Argentine cruiser the General Bel-grano, was not authorised to be given the information.

And, the prosecution said, the "interest of the state" meant that which reflected the policies laid

Ponting, made it clear from the outset that the central issue was whether a civil servant could, without committing an offence under section two, pass on information to

state must include Parliament in the "organs of government." In his summing up to the jury, Mr Justice McCowan made it clear that he preferred the narrow view expressed by the prosecution.

Mr Ponting's claim that he leaked yell was not a person to whom Mr Ponting had been authorised to give the death knell of the controversial information. Mr Ponting's duty was section and struck a resounding the official duty imposed on him as a servant of the Queen - and it was a duty to preserve documents in the interests of the state.

> In law, the judge ruled, the inter est of the state meant the policies of the state i. e., the government of the day. He warned the jury that they should not concern themselves with political debates about the section.

While no-one can say what prompted the jury to acquit Mr Ponting, their decision must be regarded as a straight rejection of Mr Justice McCowan'a directions.

They appear to have decided that MPs, as the representatives of the people, are to be counted among hose authorised to receive disclo sures from civil servants - particularly when the disclosure concerns the apparent misleading of parliament by government minist

The catch-all nature of section two has been roundly condemned by supporters of all political parties as well as extra-parliamentary critics, for many years.

In 1972, a committee headed by Lord Franks investigated the Act and described section two as "a mess," with an "absurdly wide" scope. Between 1916 and 1979 there were 34 prosecutions under the Act, which had been introduced in 1911. Most were for section two offences

Since 1979 there have been 18 cases - the most recent before Ponting being last year's prosecution of Miss Sarah Tisdall, a Foreign Of-fice clerk sentenced to six months' imprisonment for a section two offence of leaking documents con-cerning national security to The

In the Ponting case there was, as the prosecution acknowledged from the start, no national security element; all that was involved was a breach of confidentiality.

That and the fact that Mr Ponting leaked to an MP and not a newspo per, and that he did not do so for money, combine to make his case a particularly powerful weapon in the

more French wine last year, a total ands of those who wish to see secon two consigned to legal history, Editorial comment, Page 16.

of 171m litres. Champagne sales rose by 22 per cent and red Bordesux by 41.4 per cent.

#### ckets did not threaten violence its national co-ordinating commit Wales nits was banned by a High tee or the South Wales officers. But and thet the use of threatening lan-Court judge yesterday in an imporguage did not get out of hand. tant judgment on the law governing picketing in industrial disputes. He was ruling on claims by 20 citing, procuring, assisting, encou-Mr Justice Scott ruled that no working South Wales miners for raging or organising" more than six

Judge bans mass picketing

more than six people could picket each colliery gate. He added: "There is no legitimate distinction between so-called pickets standing close to colliery gates and so-called demon-

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

strators who stand nearby." The judge said those organising

he granted an injunction restraining the South Wales union from "intemporary orders stopping the Na- NUM members or others to "contional Union of Mineworkers gregate or assemble" at or near the (NUM), its South Wales area, and 19 entrances to the five collieries, oth-

national and area officials encou- er than for the purpose of peaceful raging, assisting or organising illegal picketing.

He refused to make any orders

y communicating information or peacefully persuading people not to work.

picketing had a duty to see that against the NUM, the members of

# **EGOLI** ("Egoli")

# **Egoli Consolidated Mines Limited**

(Incorporated in the Republic of South Africa)

31st Floor, Trust Bank Centre, 56 Eloff Street, Johannesburg, 2001, Republic of South

• Spending in Britain's shops fell

sharply in January from record lev-

Provisional figures from the De-

partment of Trade and Industry

show the index of retail sales vol-

ume down 3.9 per cent from December at 112.6 (1980 = 100), the lowest

since last August.
Officials said the decline in retail

sales was broad-based, with food

sales abowing more resilience than other categories of retail trade.

The Retail Consortium, which

represents 90 per cent of UK retail-

ers, said it was not too concerned

about the January figures. Seasona

adjustments were unreliable around the Christmas period and

the average volume of sales in De-

cember and January combined was

still a record - 5 per cent higher

"A January decline is normal and

Weak sales volume in January

should not be taken to imply an end

may also have been caused by snow

closing. The John Lewis Partner-

to the consumer boom," it said.

than last year.

Directors: J M R Berardo (Chairman) (Portuguese), D M Grant-Hodge CA(SA) (Deputy chairman), P B Gain CA(SA) FCA, A G Netto BSc (Min.Eng.) GDE, J N Sharland Alternate directors: H A McNeil, A C Nash (British), G M Fenske BComm CA(SA)

#### **Announcement to shareholders**

It was announced on 30 November 1984 inter alia that negotiations were taking place with an Australian and a Canadian company for the rationalisation of Egoli's West Rand operations with certain associated assets, subject to approval of the Egoli shareholders, The Johannesburg Stock Exchange and the South African Reserve Bank.

The South African Reserve Bank has approved the proposed transactions relating to the rationalisation.

The South African Reserve Bank has approved the proposed transactions relating to the rationalisation. 
Egoli and a Canadian company, Lauresia Resources Limited ("Lauresia"), listed on the Toronto Stock 
Exchange, each owns 50% of the issued shares of Belafrica (Pty) Limited ("Belafrica") which in turn owns 
all the share capital of West Witwatersrand Gold Mines Limited ("WWGM") a company engaged in mining 
and reclamation of gold and other precious minerals on the West Rand. Johannesburg Mineral Corporation 
Limited ("JMC") a wholly-owned subsidiary of Egoli has a surface dump treatment plant on a property 
which abuts the land occupied by WWGM and JMC is also angaged in the recovery of gold and precious 
minerals from surface materials. The land on which JMC's plant is situate is owned by West 
Witwatersrand Mineral & Mining Corporation Limited ("WWMM"), also a wholly-owned subsidiary of 
Egoli, and certain of the materials treated through JMC's plant are owned by Krugersdorp Stone Crushers 
(Pty) Limited ("KSC") which is a wholly-owned subsidiary of Incorporated Management & Finance Limited 
("IMF") the shareholders of which are all directors of and shareholders in Egoli.

Laurasia has entered into an agreement on 1 February 1985 with Jimberlana Minerals N.L. ("Jimberlana"), an Australian company listed on the Sydney Stock Exchange, in terms of which inter alia Jimberlana will acquire the 50% interest of Laurasia in Belafrica. It is intended that the rationalisation will take the following form-

Egoli will sell to Jimberlana with effect from 1 March 1985, 10% of the issued share capital of Belafrica for R292 070, payment to be made on 31 March 1665;

JMC will sell to WWGM with effect from 17 February 1985, all of JMC's plant and mining claims and dumps owned by it in the Krugersdorp and Randfontein area, Republic of South Africa, for a purchase price of R10 000 000, in respect of the plant and R1 000 000, in respect of the mining Egoli will sell to WWGM with effect from 17 February 1985, its shares in and loan accounts against WWMM for a purchase price of R4 000 000;

IMF will sell to WWGM with effect from 17 February 1665, its shares in and loan accounts against KSC for e purchase price of R1 000 000.

The total purchase price payable by WWGM in respect of the aforegoing transactions is R16 000 000 which will be partly satisfied as 10 R8 600 000 by shares and funds to be provided by way of loans by Jimberlana through Belafrica to WWGM as follow

Jimberlana will transfer to Egoli 1 500 000 issued shares in Laurasia, having an agreed value of R1 000 000;

Jimberlana will allot and issue to Egoli 3 800 000 shares having an agreed value of R1 700 000;

Jimberlana will pay the sum of R5 900 000 in cash as to R2 800 000 on 31 May 1985 and R3 300 000 on 31 December 1885.

The 1 500 000 shares in Laurasia and 3 800 000 shares in Jimbertane will vest in Egoli which will be paid the balance of the purchase price amounting to R1 300 000 due to it in cash. The remaining cash received from Jimbertana will be used to settle the purchase price of R1 000 000 due to IMF and R3 500 000 of the purchase price due to JMC. The balance of the purchase price due to JMC, namely, R7 400 000 will be secured by a surety first mortgage bond to be passed by WWMM over its immovable property and by a notarial bond to be passed by WWGM over the plant owned by it.

Jimberlana has previously lent and advanced Selafrica the sum of R1 000 000 so that the total loan account of Jimberlana against Belafrica will be R8 600 000. Until the loan accounts of Egoli and its subsidiaries against Selafrica have been reduced to 40% of the aggregate of all the loan accounts owing by Belafrica to its shareholders, excess funds will be utilised to make payments on account of Belafrica's indebtedness to Egoli and its subsidiaries, and thereafter excess funds will be paid in reduction of the loan accounts of Egoli and Jimberlana, on a pro rate basis.

The rationalisation will be conditional upon the agreement between Jimberlana and Laurasia becoming unconditional and the closing of all the transactions set out therein, the approval of The Johannesburg Stock Exchange, the approval of the shareholders of Egoli and Jimberlana and all applicable authorities in South Africa, Australia and, in regard to the agreement between Laurasia and Jimberlana, in Canada.

The directors consider that the proposed rationalisation will be of great benefit to Egoli and its subsidiaries

Higher grade gold material will be secured for processing through the West reduction plant where it is considered that in the longer term, the quantities of surface materials available are limited;

There will be e saving in expenses by the rationalisation of the Egoli West and WWGM

The shaft presently owned by WWGM will be used in conjunction with the three mining claim areas presently owned by the Egoli Group and will consequently lead to further

It is considered that the cash injection provided will enable the Egoli Group to expand and develop other great of operations.

After fulfilment of the conditions upon which the rationalisation is conditional, detailed documentation will be prepared and forwarded to shareholders.

By order of the board

per: D T J Lonsdale Johannesburg

8 February 1985

Registered office nunstments and Technical 31st Floor Trust Bank Centre 56 Eloff Street

Transfer secretaries Hill Samuel Registrars (SA) Limited 101 Market Street nesburg, 2001

A 1721

# **Doubts that ended** Sleipner gas deal

Norway signed a commercial contract for the import to the UK of gas

from Norway's Sleipner field.
At the time it looked as if British
Gas had scored a considerable coup,
tying up 15bn cubic metres (bcm) of gas a year over 15 years and at a price considerably lower than earlier European gas contracts - \$4.15 per million British Thermal Units (Btus), compared with a reported price of \$5.28 per in Btu paid by the West German utility Ruhrgas for gas from Norway's Stattjord field in ergy Secretary, had all too clear a

Alick Buchanan-Smith, the UK Energy Minister, arrived in Oslo on Sunday to deliver the Government's Gas's cushion from Frigg. verdict on the proposal, there was 
The Treasury cared passionately no chance that this week would see about this matter because it knew

Norwegians about how Britain Last year, British Gas was offercould replace its supplies of gas ing 23p a therm for UK supplies. from Norway's Frigg field. These Even at an exchange rate of \$1.50 to currently account for over a quarter the pound, Sleipner translated into of UK supplies.

needed a source of imports to re- though it is in some respects - has place Frigg, and Norway looked the looked worse and worse. Today the obvious choice. The alternatives sterling price of Sleipmer is over 35p were ruled out on a variety of a therm. grounds: Dutch gas because it was not available in sufficient volume; Algerian gas on price; Soviet gas because the Government did not like the idea.

When British Gas presented its the corporation expected speedy agreement. The Department of Energy had been kept informed in part of the corporation expected speedy agreement for British Gas to go back to Statiol with a proposal to reduce the Sleipner peak offtake from 15 bcm a draft contract to the Government, ergy had been kept informed in some detail and matters like the negotiation of a treaty to cover the pipeline and taxation arrangements \$30bn - the biggest trade deal in pipeline and taxation arrangements on Sleipner'a associated gas liquids were regarded, essentially, as for-

It took a number of weeks before anyone realised that the deal had encountered political problems in Whitehall, Norway announced and then allowed to be broken - a Department's anxieties about exand then allowed to be prosen - a series of deadlines beyond which, it ports - whose prices it feels would was said, the Sleipner development be difficult to police - which started could not be approved by the Nor- to tip the scale against Sleipner. If wegian Storting (parliament) in that was the quid pro quo, the Enertime to toeet commercial requirement, interventionist by ments of the contract.

ports on why the Government vetoed what would have been the biggest trade contract in UK his-

The root of Sleipner's problems

undoubtedly, was in the Treasury

which had sore memories of the 1974 Frigg contract. Mr Nigel Lawson, the Chancellor of the Exchequer, still fresh from his stint as Enrecollection of the full in explora-By the time, however, that Mr tion and development in the UK's

a birthday celebration for the Sleip-ner contract. that as tax revenues from oil start-ed to turn down later this year, it ner contract.

It has been a curious story and one with far reaching implications for the world gas industry, for which Sleipner has been the biggest talking point these last 12 conths.

ed to turn down later this year, it would be increasingly reliant in the 1990s upon taxes on gas production. Sleipner suddenly looked like becoming a big hole in future budgets. On top of that the Treasury was worried that British Gas would use the production of the producti

The Sleipner saga began almost Sleipner, as it was alleged to have three years ago, when Mr James used Frigg to hold down the price it Allcock, British Gas's director of paid to suppliers from the UK conpurchasing, started to talk to the

of UK supplies.

Over 27p a therm. As sterling slid,
British Gas never doubted that it that comparison – misleading

At first, it looked as if the Energy Department was, more or less, on British Gas's side. Mr Peter Walker, the Energy Secretary, played a characteristically fluent hand in Cabinet and won agreement for

UK history.
As late as last autumn the signals from the Energy Department, and certainly the signals picked up by British Gas and the industry, were that Sleipner was a certainty.

It seems to have been the Energy

### **Export agency deficit** 'could rise to £1bn'

BY CHRISTIAN TYLER, TRADE EDITOR

THE BRITISH Government's export insurance agency could see its bre picture," but he said he hoped the next few years, MPs were told Fund could be reduced by bank refi-

The new estimate of the Export Discussions were going on with the Credits Guarantee Department's Treasury.

What Mr Gill described as his by Mr Robert Sheldon, chairman of the House of Commons public accounts committee.

Treasury.

What Mr Gill described as his base case assumes that the debt problem will be contained and that the £810m of ECGD assets in central banks abroad will flow back. It

arising out of Third World debt re-scheduling and commercial failures up by lack of agreement with the during the recession.

nancings under ECGD guarantee The new estimate of the Export Discussions were going on with the

counts committee. tral banks abroad will flow back. It
MPs had pressed Mr Jack Gill, takes into account an ECGD liabili-ECGD secretary, to put a figure on ty of some £400m on trade debts the department's future cash deficit outstanding from Nigeria, whose re-

#### down by "recognised organs of gov-Mr Bruce Laughland, QC, for Mr IT IS one year ago, almost to the day, that British Gas and Statoil of IAN HARGREAVES re-Guardian newspaper.

He argued that the interest of the

His directions on the law appeared clearly to be pointing the jury in the direction of a guilty ver-

hands of those who wish to see section two consigned to legal history.

#### **Atomic** Ponting case verdict authority to be more commercial

THE GOVERNMENT has plans to reorganise the UK Atomic Energy Authority on a more commercial basis and set it's financial guide-lines from 1986, David Fishlock

The research body employs about 14,000 at nine sites in Britain. Its budget - £375m last year - is to be known in government circles as a trading fund, with research pro-grammes paid for on a customercontractor basis.

It will be the Govern experience of applying the trading fund to research and development activities. The authority already has experience of the which was used in the mid-1960s to put the manufacture of nuclear fuel and of radioactive substances on a more commercial footing.

D PLANS for direct broadcasting by satellite (DBS) have suffered another setback. The BBC and independent television (ITV) companies which form 80 per cent of a DBS consortium have been told that negotiations with United Satellites (Unisat) have failed to find a viable

Unisat - formed by British Aerospace, British Telecom and GEC-Marcom - reduced its price during the talks from £80m a year over eight years for a three-satellite system to £73m a year. The consortium is being advised, however, that it cannot get a return on such an in-

D BRITISH Shipbuilders (BS) announced a £7m order to build a fisheries research vessel for the UK Government, bringing merchant ship orders for the state owned company so far this year to over

BS trading losses, which were £161m in the year to April 1984, are expected to decline to about £50m. ☐ MRS MARGARET THATCHER.

the Prime Minister, celebrated 10 years as Conservative Party leader. She said, "the next anniversary, one would hope, would be 10 years as Prime Minister, I would like that

Mrs Thatcher became Prime Minister in May 1979,

II THE BRITISH drank 15 per cent

### NOTICE OF DEFAULT

To All Holders of

#### REFINEMET INTERNATIONAL N.V. 34% Gold Indexed Bonds due February 1, 1996

Continental Illinois National Bank and Trust Company of Chicago, as Trustee (the "Trustee") under the Indenture, dated as of February 1, 1981 (the "Indenture"), hereby advises the holders of Refinemet International N.V. 314% Gold Indexed Bonds due February 1, 1996 (the "Bonds") issued under the Indenture that: 1. Under Section 2.03 of the Indenture, Refinemet International N.V. (the "Company") is

obligated to make annual Installment payments of interest to Holders on each February 1.

The annual interest payment due on February 1, 1985 has not been made as of the date of this Notice and thus is in default. Further, the Company has informed the Trustee that due to its financial condition, it is unable to make the annual interest payment which was due on February 1, 1985. The annual interest payment due on February 1, 1985 has not been made as of the date of this Notice and thus is in default. 2. Under Section 5.01(a) of the Indenture, a default in the payment of eny installment of interest when due and payable which continues for 30 days constitutes an "Event of Default." Under Section 5.01 of the Indenture, if an Event of Default occurs and is continuing, the Trustee or the Holders of not less than 25% in Face Amount of the Bonds

then outstanding may declare the Principal Amount of all the Bonds then outstanding to be due and payable immediately.

3. Under Section 5.03 of the Indenture, immediately after a declaration of acceleration of the Bonds, the Trustee is (i) to use its best efforts to collect all the Collateral and (ii) to distribute all moneys and Gold bullion collected by the Trustee to the Holders as soon as practicable after the 180th day after the date of declaration of acceleration (the "Default Distribution Date"). Notice of the Default Distribution Date is to be given by the Trustee to

the Holders not earlier than 105 days and not later than 135 days after the date of declaration of acceleration.

4. All Collateral under the Indenture and related Security Agreement consists of Gold bullion (including Negotiable Depositary Receipts).

5. The Bonds are guaranteed on a subordinate basis jointly and severally by R.M.I. Refinery, Inc., the parent of the Company ("RMI"), and by Refinemet International Company, the parent of RMI ("Refinemet").

6. This Notice constitutes a Notice of Default to the Holders as provided for in Section

5.09 of the Indenture. 7. The Company has requested that Holders be notified that further information regarding the Company and the Bonds may be obtained by contacting the Company's representative in London at telephone 01-588 6371 or Telex 8956352.

8. In order to facilitate future communications between the Trustee and Holders, as well the Trustee a letter or postcard stating the Holder's name, address and telephone number, and listing the Bonds held by them and the numbers and defense and telephone number, and listing the Bonds held by them and the numbers and denomines thereof. The letter or postcard should be addressed as follows: Continental Illinois National Bank and Trust Company of Chicago, Attention: Corporate Trust Division, 30 North LaSalle Street, Chicago, Illinois 60697. as any distributions, the Trustee requests the Holders to identify themselves by sending to

> Continental Illinois National Bank and Trust Company of Chicago as Trustee for the Refinemet International N.V. 31/4% Gold Indexed Bonds due February 1, 1996

February 12, 1985

#### NOTICE To the Holders of REFINEMET INTERNATIONAL N.V. 31/4% Gold Indexed Bonds due February 1, 1996

Continental Illinois National Bank and Trust Company of Chicago, as Trustee, has given notice that we have defaulted in the payment of interest due February 1, 1985.

Under procedures outlined by the Trustee In Its Notice to Holders, distribution to Holders of money and Gold bullion from Collateral will not be made before September, 1985. In all Ilkelihood, such distribution as Principal Amount and Interest, after the payment of costs and expenses of collection and reasonable compensation to the Trustee, will be less than 100% of the Principal Amount. Of the original issue of Bonds for 100,000 Ounces of Gold, there now remain Bonds outstanding for only 36,380 Ounces of Gold.

We urge Holders to contact us to discuss their options, including a proposal by us that may be more attractive to Holders than results under the Indenture. YOU MAY CONTACT OUR REPRE-SENTATIVE IN LONDON AT TELEPHONE 01-588 6371 OR TELEX 8956352.

Refinemet International N.V.

Dated: February 12, 1985

54 35 5 TV - A.

100

Σ. ···

1270

VI ...

2 2 2

er te der tu

2.71

Ame

With notic

# Imported models help GM gain record sales

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

1983, even though it increased sales

omic

est of the second

7-12-1

- : = A

- - 7 2 <u>122</u>3

to the second

The state of the s

SETTING THE RES

N.V.

내 기가 그리 보고 2 ≥= .e2 = 2:

also produced fewer vehicles, but company output of 28,000 to 40,000 Ford BL, the state-owned group, remained well ahead of Ford as the

UK's biggest producer. While GM's sales rose by 8 per cent to 282,835 cars last year and its market share went up from 14.6 per pared with the previous year.

cent to 16.1 per cent, output from its Ford also blames a strike for

This will be embarrassing for GM, which has been under pres-sure from the British Government to build more cars in the UK in view of its success in the market. Its market share in 1981 was only 8.5

Some of the fall in production was expected because GM last year switched production from the old to the new Astra at the Ellesmere Port plant on Merseyside, and there is always a decline in output when a the Horizon Alpine and Solara mod companies nearly all raised their factory is disrupted for a model

The unexpected element in the poor GM performance was the sixweek strike of metalworkers in week strike of metalworkers in by Statistical Review, confirm that cent, Lotus, up 30 per cent, and West Germany, which cut supplies UK car output dropped below 1m Jaguar-Daimler, up 19 per cent.

BY BRIAN GROOM, LABOUR STAFF

agreement with unions repre-senting its 10,000 UK white-collar

staff to introduce a pilot pro-

gramme of employee participation,

similar to that begun six years ago

According to the unions, the pro-

posals will allow individuals and

groups of staff to take part in the

managerial process, including planning, setting goals, problem-

Ford has so far failed to interest

scheme, however. They fear it would become a device for exhort-

ing people to work harder, under-

mine the union negotiating struc-

ture, and cut across the existing

Hostility from manual unions

the manual workers' unions in the ment:

solving and decision-making.

in the U.S.

GENERAL MOTORS, the Vaux- of components and the number of hall-Opel group, produced fewer car kits sent by Vauxhall's sister cars in Britain last year than in company, Opel. Strikes in two plants operated by

Austin Rover, BL's volume car sub-Other car companies in Britain sidiary, in May and June cost the vehicles last year. A decline in exports to continen-

tal European markets also contrib-uted to the 14 per cent drop in Auctin Rover's output in 1984, com-UK factories dropped by 7.44 per much of its fall in output. A dispute the cent to 117,114. about 40,000 cars towards the end of 1984. Compared with 1983, Ford's car production fell by 44,907 cars, or 14 per cent.

> Of the major UK-based companies, Talbot UK suffered the worst again in 1984 after reaching that experience with a 21 per cent drop in production caused partly by snags in the provision of finance for the car kits it sends to Iran. The Peugeot group subsidiary, however, Peugeot group subsidiary, however, to 903,906 cars was entirely due to also had a difficult struggle to sell the "big four". Britain's smaller els it builds in the UK factories.

> The statistics, to be published pressive improvements coming shortly in the Society of Motor from Rolls-Royce, up by more than Manufacturers and Traders Month-

Ford close to participation deal

FORD IS on the verge of reaching ity circles in Ford's British plants ment will supply regular informa-

four years ago.
The white-collar unions include

nical and Managerial Staffs

(ASTMS), the engineering staff

union AUEW-Tass and the staff sec-

tion of the Transport and General

ASTMS said the scheme might have a fundamental effect on indus-

trial relations in Britain. Its prog-

ress would be closely watched by

companies, unions and the Govern-

A further meeting with the com-

pany will take place today. If agree-

ment is reached, a joint working party will be established to decide

where and how to set up the pilot

projects. "Participation groups" will be formed.

Workers' Union.

prevented the introduction of "qual- As part of the scheme, manag

the Association of Scientific, Tech- and in the company's European and

# General Mills seeks buyer for £80m British toy business

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

PALITOY, Britzin's biggest toy Brothers' experience in the vide company, is up for sale - not for all games market - a record year is cent years, but because of a decision by General Mills in the U.S. to pull out of the cyclical world of toys. Palitoy is a subsidiary of General Mills, which also owns Parker Brothers in the U.S., the company best-selling game, Trivial Pursuit. General Mills, however, is at

433,183 12,181

2,171 27,977 642

383,324 445,364 273,767 318,674

371,427

psychologically important level the

The 13 per cent fall in production

tion and encourage discussions on the role of Ford plants in Britain

Ford claims considerable success

for the U.S. programme which in-

cludes manual workers and was set

up by agreement with the Union of

Auto Workers (UAW), Schemes

UK staff unions say they will not

allow the participation groups to

supplant union organisation. Any

proposals that would impinge on

union procedure agreements would

be referred to normal union-

A 27-strong union team visited

the U.S. and found that employee

participation could work if staff had

management negotiations.

strong union backing.

worldwide operations.

vary from plant to plant.

present "reconsidering" its involvement in toys in both the U.S. and Britain along with its troubled fasher foods and restaurants activities. a General Mills spokesman said. as

90 days exploring the sale of our toys and fashion operations." and fashionwear business from its Minneapolis headquarters has be- 1982. come jaundiced in recent years by the vagaries of consumer demand The company has built a welldeserved reputation for the success reals or Betty Crocker cake mixes.

which have been best-sellers for peared equally adept at maintaining its marketing flair with either its Allication has a selfing and some peared equally adept at maintaining its marketing flair with either spectros and some peared equally adept at maintaining its Allication has a selfing and some peared equally adept at maintaining the selfing and some peared equally adept at maintaining the selfing and some peared equally adept at maintaining the selfing and some peared equally adept at maintaining the selfing and some peared equally adept at maintaining the selfing and some peared equally adept at maintaining the selfing and some peared equally adept at maintaining the selfing and some peared equally adept at maintaining the selfing and some peared equally adept at maintaining the selfing and some peared equally adept at maintaining the selfing and sel its Alligator-brand fashionwear nor the toys and games business, espe-cially the video and electronic

games sector. Late last year, the company announced significant cuts in the workforce of its Izod sportswear division in an attempt to restore profitability. This move preceded a 32 per cent drop in last year's second-

quarter net income, announced just before Christmas, to \$55.6m. General Mills' was caught out by the phenomenal popularity of its Iz-od sportswear in the late 1970s when it was greatly in demand among young people, General Mills was slow to capitalise on the surge in demand for the fashion sportswear with its distinctive 'le Crocodile" motif and was overtaken by other design houses.

Its growing disenchantment with toys was not helped by Parker and the other companies piecemeal. with which in the city people find it Consultants (by a group of academ-

company, is up for sale – not for all games market – a record year in the usual reasons which have led to the disappearance of so many father than the disappear mous names in the toy world in re- formance in 1983 and 1984. That experience, according to industry sources, might have brought sharp ly home to General Mills' execu tives the volatility of the toy trade. Mills, which also owns Parker
Brothers in the U.S., the company
which introduced Monopoly to the
world as well as the more recent
world as well as the more recent
fair in recent years that General Mills normally reserves for its food

At the start of the 1980s, Paliton was struggling, like most other UK Britain along with its troubled fash-toy companies, to come to terms ionwear business. We want to con-with the recession, the implications centrate our investment and man- of a declining birthrate and the strength of sterling.

While other famous names - such We will be spending the next 60 to and Mettoy - fell by the wayside Palitoy's response was to bring in a whole clutch of marketing men General Mills view of the toys headed by Mr Peter Waterman who became managing director in

All the new marketeers have background in fast-moving consum-John Harper came from Procter & ful marketing of many successful Gamble, UK marketing manager food products - such as Cheerios ce- Mr Duncan Billing from Birds Eye Walls and European marketing manager Mr Andrew Low came from Cadbury Schweppes.

plied it to the toy business, The result was to revitalise the

way in which toys were sold in the UK - for example more promotional expenditure and more emphasis on establishing consumer needs and filling the market gap.

Palitoy's marketing thrust, how ever, has not been without competi tion, mainly from other U.S.-owner toy companies operating in the UK such as Mattel and Hasbro Bradley

Palitoy, which employs some 500 people at its factories just outside Leicester and has retail sales of £80m a year, is wary of what may happen if and when General Mills finds a buyer for its toy operations The likelihood remains that a buyer will be found for the whole toy division, which remains profitable, rather than selling off Palitoy Peter Marsh on a Cambridge success story

# University city becomes hi-tech 'boom town'

THE UNIVERSITY city of Cam- easy to leave existing companies to ics) was important in setting the bridge in East Anglia traditionally form new ones. a backwater in industrial terms, Segal Quince has become a high-technology "boom town" in a transformation

worthy of a film script. The stars of the show are the motorway corridor between Bristol dashing figures who have combined and Berkshire in southern England technological expertise with entrepreneurship to establish the city's best-known enterprises. Names such as Sir Clive Sinclair and the brothers Jack and Charles Lang founders of Topexpress and Shape Data respectively) are prominent. In the background is the influence of the centuries – old universi-

ty which, over the past couple of decades, has prodded its academics either to start their own businesses from businesses involved in the or form relationships with the in- marketing, distribution and producdustrial community.

There are walk-on parts for Lord Vilson, whose rhetoric when Prime white heat of technology did much to persuade the university of the soundness of this approach, and oriented companies around Boston Mr Tony Benn, the left-wing MP who, in his days as technology minister, was instrumental in setting up a government computer centre on the edge of the city.

The story even contains a whiff of strongly related to developm the oresent tribulations of Acorn sachusetts Institute of Technology Computer, the Cambridge company that makes BBC computers. After selling its first machine in 1979, Acorn registered sales of £90m in 1984 but appears at the moment to have lost the confidence of computer pundits and the stock market.

Despite such "rags-to-riches-to-rags" possibilities, the tale of the Cambridge high-technology phenomenon is one of success. The area contains about 300 science-based companies, the majority of which started life in the past decade and employ fewer than 30 people.

Most of the employees are engineers, scientists or clerical workers. The Cambridge companies do little of their own production, preferring to sub-contract to other

A report published this week by Segal Quince and Partners chronicles the growth rate of high-technology companies in Cambridge - an average of 20-25 a year over the past five years - and explains how pressed."
this is related both to the influence • The actions of key individuals. past five years - and explains how of the university and to the ease

Segal Quince compares the per formance of Cambridge with Britain's two other boom areas for hightechnology companies - the "M4 and the Scottish lowlands. It says

there are significant differences Cambridge, which has a population of 100,000, has mainly small companies which heavily emphasise research and development. They have a spread of technical in-terests from medical hardware to ering instruments.

In the M4 corridor, by contrast, the predominant influence comes tion aspects of technology. The UK subsidiaries of multinational electronics companies are the strongest feature of Scottish high-tech indus-

try.

The emergence of small, scienceand San Francisco in the U.S. is more akin to the Cambridge pattern, the report says. Both these phenomena are longer established and on a bigger scale but are impending disaster, as a result of two academic institutions, the Masand Stamford University.

The Segal Quince study suggests that one reason behind the growth of Cambridge's high-technology companies is the special nature of the city, which is a small, lively place in which the university dominates. A core of skilled people in technological disciplines associated with the university has produced a 'critical mass' of men and women who greatly influence the city's life. Segal Quince also emphasises

other factors: The role of the university. Unlike many other British academic institutions, Cambridge University is permissive about letting its staff work for industry on a consultancy

● A flexible labour force. Cambridge has virtually no history of heavy industry, creating "a labour market and a general psychological attitude in which flexibility and individualism have never been sup-

The formation in 1960 of Cambridge

tone for industrial activities in the city for the next 20 years. People left the company to start new technological enterprises, a trend that was reparated elsewhere.

 Encouragement of moves to start companies. The report says that Cambridge contains many hidden social networks by which articulate confident and technically minded entrepreneurs communicate

• The attitudes of the financial community and other "service pro-Cambridge branch of Barclays Bank formed a computer growt whose members included people from local industry. As a result, Barclays staff understood the needs of new companies in technica

• The nature of technological development in the 1980s. At a time of rapid advances in technology, small companies close to the places where these advances take place (either in university departments or in existing enterprises) are well placed to commercialise the innovations.

This is particularly in the kind of esoteric, limited-market technolo-gies in which Cambridge companies have specialised, in areas such as instruments and biosciene

Segal Quince says there is no rea son to suppose the flow of good ideas from Cambridge University and the existing companies will dry up. The Cambridge phenemenon could, however, enter a new era as a result of the attention that big, established companies are paying to

The big companies that have set up offices in Cambridge in recent ears include Schlumberger (a French-American company volved with drilling technology), logica, IBM and the pharmaceutical enterprises Napp Laboratories and Warner Lambert.

Although there may be some changes as a result of more acquisitions by big companies, Cambridge's technology-based industry will continue to be dominated by small companies, the report says. "We suspect that the Cambridge management style ... is at its best in organisations that do not get too

The Cambridge Phenomenon, from Secal Ovince and Partners, 42 Cas-

# ORID'S BIGGES KNOWN ORDER FOR PCs DIDN'T GO TO ANY OLD CHARLIE.

The order, from the American Defence Department, went to Zenith Data Systems.

Compare the Zenith PC with the IBM PC, and you'll notice one thing immediately.

The price.

The Zenith PC comes readyto-run at a few hundred pounds less.

Yet does everything the

other one does. And more.

Zenith is the number one PC-compatible supplier in the world. A 1.5 billion dollar electronics giant with more than 10 years' experience in this highly competitive field.

Remember. The world's biggest known order for PCs didn't go to any old Charlie.

Neither should you.



Zenith Data Systems Ltd, St Johns Court, Easton Street, High Wycombe, Bucks HP11 1JX. Tel (0494) 448781. Telex: 43421.

# The pleasure of paint

There are painters even of the greatest reputation who have suffered nevertheless by a certain critical neglect of their work, as if it were that for a period it had shifted somewhat out of focus and become impossible to see clearly, calmly and whole. What it might be that should blur the image so varies should blur the image so varies from case to case: its advanced nature perhaps, or its safe con-servatism; its subject matter or its manner of statement; its particular critical analytical or technical intentions, or its lack of these qualities; even at last, perhaps, its more general popularity and success. Not the least of Renoir's peculiarities is that he should have managed to lay down around himself, artlessly and unwillingly, a generous fog of prejudice and contradic-

The manufacturer will not put on bis chocolate box an image that will not help to sell his sweets, and the association with sweetness becomes fixed, cloy
For just as we have lately something of a creative chameleon, absorbing into this work not so much the sub
Signey as the apparent coloursweets, and the association with sweetness becomes fixed, cloying the judgment, and far too sweet for our cleaner, drier, modern palate. An honest, open hedonism declares itself, and we look heneath its surface for an armalure of programme or critique, for how otherwise, in an later, even the most recent of current, activity.

For just as we have lately come to see that Impressionism as a movement can no longer and flavour of that of his working friends and associates, yet in the process making it entirely his own. And this would seem to be not at all a matter of looking for and altogether hotter, riper, more overblown. The thought that a painter need sustain himself by nolhing more than a love of nature. light, pretty girls—in take a long time to sink in, save among painters themselves.

Yet at length it does slnk in, if only by a little, and the air does clear. Only a few years ago a great Renoir exhibition the Arts Council mounting a without apology (sponsored by IBM: at the Hayward until April 21, then on to Parls and



Renoir's Caillebotte chiidren portrait

tique, for how otherwise, in an Cat, so the individual artists analytical age, can it support most closely associated with it and justify itself. And yet how difficult are those later paintings, how awkward and inept, terms, and their collective ings, how awkward and inept, terms, and their collective gone the dappled sunlight on identity a creature more of time firm young flesh for something and place than of common aim. Of course, most of them lived to be Post-Impressionists, which iikewise has come to be nothing more exclusive than a temporal description. The problem with Renoir's case—and, most of all, Renoir, however, has been that paint itself, seems always to of them all, his has been the e last name to have sbaken from it the label of that first narrow category: and lhough by the later 1880s he was no longer any more a true impressionist than were Cézanne or Gauguin or Degas, so strong by then, as tions apparent in his work other than their near contemporaneity and the game is endless: Delacroix, Courbet and Manet for the young man, Monet, Sisley, Pissarro and Degas as be grows a little older, hints of Cezanne and Gauguin, and even the young Matisse as he gets older still. And in the statuesque nudes of the last few years, is there nol something of the Donderous simplicities that could have been excused only we can see with hindslight, was by special pleading on grounds of popular appeal and commercial certainty: today we have his work even of some 20 or 30 years on was slill seen, almost magnificent, serious and sub- until yesterday, as a kind of spantial study of bis life's work desperate yet failed Impressionthe ponderous simplicities that in their several ways Picasso ism, awkward as I have said,

and inept But take away the simple exwork from time to time) as in acceptance, and bere as one might expect, are poi-boilers and duds, and even what a most prolific painter friend of mine would call an absolute beezer or the beautiful practice. two. But they hardly roatter, doing no more than point the interval hetween the wooderfut things from all periods of Renoir's life, the great reclining nudes at the one extreme, the lost and at the other his friend. last, and at the other his friend Bazille at work in his studio, the large still-life of potted plants, Parisian women in Algerian fancy dress, or simply the fresh and funny skaters in the Bois de Boulogne, Always it is where he draws

into the surface, beyond the mere reading of the image, that be is at his most fascinating and particular, which only serves to roake his curious magic more potent, as the delicious nude a nurry of feathered brush strokes and rich paint. A wide and lovely landscape resolves itself out of lush blobs and sweeps of pigment green, yellow and violet, and falls away again as we move forward to indular the Bangladeshis who live around Bethnal Green, and if anyone thinks there is a good prospect of their becoming integrated into our society, Mr Dhondy has something to tell them. They aren't even integrated among indular the strokes and rich paints. ing of painters, if only we free ourselves of our prejudices and allow his work to be itself, for influences, echoes and reflecall its sweetness and sentiment. The upper gallieries at the

Hayward are occupied by a generous selection of recent work by the English painter, John Walker, which is too important a show to write off

and Braque were to exploit sorts of fresh thought and quallfication about his place among
his contemporaries, and picking
up the most unexpected and
intriguing resonances with the solution and sorts of the works themselves, for the works themselves, for the works themselves, for one paints with feelings': and themselves. Renoir, like so many didn't Delacroix say: 'Painting natural and prolific painters, is one points with feelings': and themselves. Renoir, like so many didn't Delacroix say: 'Painting natural and prolific painters, is one points with feelings': and themselves. Renoir, like so many didn't Delacroix say: 'Painting natural and prolific painters, is one points with feelings': and themselves. Renoir, like so many didn't Delacroix say: 'Painting natural and prolific painters, is one points with feelings': and themselves. Renoir, like so many didn't Delacroix say: 'Painting natural and prolific painters, is one points with feelings': and themselves. Renoir, like so many didn't Delacroix say: 'Painting natural and prolific painters, is one points with feelings': and themselves. Renoir, like so many didn't Delacroix say: 'Painting natural and prolific painters, is one points with feelings': and themselves. Renoir, like so many didn't Delacroix say: 'Painting natural and prolific painters, is one points with feelings': and themselves. Renoir, like so many didn't Delacroix say: 'Painting one paints with feelings': and themselves. Renoir, like so many didn't Delacroix say: 'Painting one paints with feelings': and themselves. Renoir, like so many didn't Delacroix say: 'Painting one paints with feelings': and themselves. Renoir, like so many didn't Delacroix say: 'Painting one paints with feelings': and themselves. Renoir, like so many didn't Delacroix say: 'Painting one paints with feelings': and themselves. Renoir, like so many didn't Delacroix say: 'Painting one paints with feelings': and themselves. Renoir, like so many didn't Delacroix say: 'Painting one paints with feelings': and themselves. Renoir, like so many didn't Delacroi Which brings us back simply to the works themselves, for themselves, Renoir, like so many natural and prolific painters, is

working friends and associates, yet in the process making it entirely his own. And this would seem to be not at all a matter of looking for and accepting influence and direction again as we move forward to indulge the sense, the touch of the surface, albeit at a neces-sary remove. The skiff slips by in the sunshine, bright orange on deep blue. And as for the girls together at the piano, an enchanting sequence, for their sakes we can forgive any num-ber of artificial and fondant tion, which would suggest a critical programme of sorts and some introspection: rather it is that Renoir is a natural and instinctive painter, interested of nudes and portraits. For paintcourse in whalever is about him, aware of what other paining is an immediate and physi-cal business, bowever delicate the suggestion, and Renoir is one of the most directly affectters are up to and as respon-sive to it as it were any other feature of the natural world. Certainly there is no critical pattern to be drawn from the

> important a show to write off here in a paragraph. But in her introduction to its catalogue, introduction, the distinguished be looking after the few acres American critic, refers to the secret and mysterious language of palmers. "Every true painter, though, knows that other language..., but there is Chardin telling us: 'But whn lold you one paints with colours? One uses colours bul one paints with feelings': and the looking after the few acres of land that he owns in Bangladesh, until it is revealed that, during the battles hetween the East Bengalis and the Pakistanis. The plot is less worthy of attention than the display of the Pakistanis.

tention than the display of Bangladesbi life in Bethnal Green (which I dare say is not all that different from, say, Pakistani life in Birmingbam), and this is very interesting. The author is not himself a Bangladeshi, but he clearly knows what he is talking about, and he has a pretty line in dialogue.

IX for clarinet, the most recent and Michael Collins explored it

with communicative insight and all due expertise. Unlike some earlier, jokier Sequenze, no. IX makes little play with outre effects (the "chords" that the

"Asian!" says Gita. "It's a silly word. It isn't even a skin colour." As a line in a play put on by the Asian Co-operative

Theatre, this is a pointer to an argumentative evening.

we have feminist lawyer Gita (Shelley King), an attractive young lady who believes in all the equalitarian hopes of

On the other band, we bave Getty (Ursula Jones), who is assisting a television director on

that is to show how much of

the Bangladeshis' misfortunes are due to themselves. When there is a famine in Bangladesh,

there is theft of rescue provi-

carry all this background paint-ing, but it is not in itself par-

ticularly interesting, except in so far as il reveals the family

difficulties that afflict people whose social customs are so much stricter than ours. It con-

liberals of any colour,

Farrukh Doondy's play at the Arts Theatre, WC2, directed by Penny Cherns, is about the Bangladeshis who live around

#### Nash Ensemble/Wigmore Hall

Like other concerts in the current Nash "Italian" series, Saturday's began with a Sequenzio by Berio, one of bis solo studies for contemporary virtuosi. This one was Sequenza

Rewarding to hear and follow, and obviously also to play — Haydn Piano Trio in G. and of for those few who can; the Boccherini's String Quiniet op Collins performance was so assured, and so scrupulously On a big modern piano Brown lyrical, that no technical hazard distracted. By comparison, Mendelssohn's op 113 Concertstück Kampen visibly relished the

clarinetrist has to produce in the middle). The burden of the piece is purely musical, not theatrical.

for clarinet, basset born i Animportant first-cello part.

gela Malsbury) and piaco tlan gela Malsbury) and piaco tlan important first-cello part.

Felicity Palmer's contributions to the programme, in a group of Bellini and Verdi songs and Berio's early Chamber after large large and starked with high spirits. attacked with high spirits.

Amlable accounts of the late
Haydn Piano Trio in G, and of
Boccherint's String Quinlet op

Music after James Joyce, were frankly over-projected. The Palmer mezzo is these days a formidable operatic instrument. aod in the Wigmore the sheer quantity of voice blotted out differences between ber songs.

#### Vigilantes/Arts

B. A. Young



Bhasker (left) and Kishore D. Chauhan in Vigilantes

#### Swan Lake/La Scala, Milan

#### Freda Pitt

production of Swon Lake finally since he was, it seems, deterthis month. It is rare for this ballet to make news in Italy. where the only performance to cause at all comparable excite-ment (if on a more limited scale) was the first appearance together in the central roles of Margol Ponteyn and Rudolf Nureyev, with the then Royal Ballet Touring Company, at the that occasion the emotion was caused by the dancing and interpretation.

In the current extravaganza at La Scala, on the other hand, the choreography and dancing take a poor fourth place, after Franco Zeffirelli's scenery and production, Anna Anni's costumes and Lorin Mazzel's conversion, which is pronounced to

ferentiates this "remake" from done. Or rather, how it should its many predecessors is that it not be done, and should not is not the work of a choreo-grapher. Zeffirelli is famous for for a more inept, confused, dis-

After three postponements, his work in films, opera and the connected, antiqualed and non-everywhere, in every scene, the first performance of La straight theatre; his knowledge sensical production could even (most scandalously) after Scala's much publicised new of ballel is minimal. However, hardly he conceived. The blame Odette's solo and the famous mined that his concept should prevall throughout he had lo would obey his bebests. He found this collaborator - or rather accomplice in the attempted assassination of the best-loved ballet in the whole classical repertory—on the spot in the person of Rosella Hightower, at present director of the Milan dance company. Apprehension induced by her mishandling of The Sleeping Beauty and, above all, The Nut-For Zeffirelli, Odette and her

No fewer than three notes in the Scala programme inform us tumes and Lorin Mazel's conversion, which is pronounced to ducting of the score—the one be boring and inconsistent, positive feature of the evening. Zeffirelli therefore presumes to What in the first place dif- demonstrate bow it should be

must be shared among all three perpetrators since while Zeffi-rell bears the overall responsi-hility, the nullity of the shapeless choreography must be at least in part due to Hightower, whereas the drabness of the Act 1 court costumes and, above all, the ugly and line-destroying long nightdress-like costumes for Odette and what used to be Swan Maldens must be attributed to Anni.

tions apparent in his work other

within a year or two?

companions are part female, part spirit when they regain cracker, during ber Paris Opera tenures proved all too well their buman shape at night, his great "discovery" being that all resemblance to swans belongs to a spurious tradition. This argument might bear some weight if Ivanov's choreography were not so closely linked to the idea of swan maidens. But and less Petipa-and tutus are

pas de deux in Act 2, when she dances with the Prince to a reprise of the music of his melancholy solo in Act 1.

And well may Maurizio Bellezza look melancholy and bewildered, for, although he is at least accorded a couple of workmanlike solos, he is, indeed, a poor creature in this production.

Zeffirelll follows Tom Schilling's East Berlin version (and others) in dividing the great double role. Odile, the temptress, appears in various guises: in red, as a gypsy, in Act 1; in cream in Act 2; in pale blue (in a costume identical to Odette's) in Acts 3 and 4. I have adhered to the traditional numbering, although-like Nureyev in his new, Paris, production - Zeffirelli divides the work into twn parts only.

Most of the dancing is Odette is totally sacrificed to swamped by the relentless busy-Odile: spiritual love to carnal ness of the production. Only love, good to evil, excepting the Carla Fracci is allowed real final moments. Odile pops up prominence,

#### One for the Road/Croydon

#### **Michael Coveney**

Halifax over Christmas. I felt I had little excuse to avoid seeing her in a play in Croydon on Friday night. Even without music, she is a strong and sympathetic performer with a nolable sense of liming. But she does not play the main role in this touring revival of Willy Russell's late 1970s bungalow

estate comedy.

Monckton play neighbours to the Cains. Dennis Cain is about to be 35 and is acting strangely. A wave of ominously creative vandalism is aweeping the Phase Two bungalow develop-ment: a dozen garden gnomes

window.

Dennis is a suburban rebel and the fun of the play lies in at the Bush, but David Cardy both the absurdity of his fandoes not release the play's style. It is too early yet to call tasies of resistance and the malignant fury, nor Dennis's her a star; but she is already passion with which they are aggressive despair. In the way voiced. While his parents Alun Armstrong did in 1979.

**WEST GERMANY** 

Arts Guide

Having been impressed by telephone for instructions on Helen Shapiro in pantomime in how to negotiate Beethoven how to negotiate Beethoven Close and Mabler Crescent (they never, in fact, arrive) Dennis launches a vituperative crusade against Spanish holidays and Tupperware.

has been planted. Dennis de-cides to roll up a sleeping bag and hit the road. Everyone else, it seems, wants to leave with Ms Shapiro and Patrick him, but the action subsides in a bout of truth-telling among the quartet, a litany of adulterous peccadilloes, and a vague implication that wife-swapping could be next on the agenda.

Dennis's Dylanesque poetry remains locked in the sideboard.

have had their heads severed; a It is alt fairly brisk and cascading waterfall has been amusing, though Deborah Bestattacked; and now Dennis is wick's production is short on yelling unmotivated abuse at the rough-house energy that John Denver through an open characterised the first production. Also, no disrespect to a

### Mullova/Barbican Hall

#### **Dominic Gill**

When I last heard the Soviet violinist Viktorla Mullova she was a finalist in the Sibelius Violin Competition in Helsinki In 1981 Her accomplishment. presence and command ranked her head and shoulders above all the other competitors (and In the second act, once the all the other competitors (and idea of sexual dissatisfaction it was as it happened an unusually strong listl: there was no question in anyone's mind,

> course, the focus is still more intense, the competition tougher and more demanding, and the pitfalls wider and deeper. But it would appear that Miss Mullova is so far taking this real world in her stride. Her British debut in the Chaikovsky concerto with the London Symphony Orchestra under Maxim Shostakovich on Saturday night was an exceptionally promising affair, confident, disciplined,

The tone is rounded and unfallingly heautiful; the platform presence is irresistible — gentle, with a quiet bumility, yet powerfully assured. The clarity of articulation and bowing are remark-able: every detail of the first movement's rushing semi-quavers and arpegglos, a few of which at least are traditionleast of all the minds of the jury, that she should, as she did, win the first prize.

Out in the real world, of television cameras stationed almost within reach of her bow cannot have helped); but the nerves never strained or ruffled her sound.

> Nerves on the other hand could have accounted for a certain coolness and reserve to is so, or whether it is a more fundamental characteristic, we can't judge until we know the playing is better. I liked her calm and unmannered treat-ment of the Canzonetta, sweetly and elegantly turned, but with-out a trace of cloying; and the firm bravura of her finaleloose-limbed and agile.

# Young Musicians' Symphony

#### **Andrew Clements**

Henze's Heliogobalus Imperator has been played once before in London, when Solti and the London Philharmonic introduced it soon after the Chicago premiere in 1972. It formed the first item in the programme of the Young Musicians' Symphony Orchestra on Wednesday at the Festival Hall; a timely revival, for it is in many ways one of the more colourful and appealing of Henze's scores from the 1970s. Like most recent Henze it is uneven, but the proportion of worthwhile music to sheer padding is higher than in a number of pieces that could be

almost half an hour it is Al almost han an mount to a third loo long, and without some of the pages of freely notated gestural writing which, as usual, seem only to mark nme, the work might seem more tightly organised. There is an

nicely blurred (though in the YMSO performance the harp decorations were entirely inaudible and some ear-catching percussion later on. Most imaginative of all are the military sent the army mustering to overthrow Heliogabalus, cross-cut with the main orchestral argument in an almost Ivesian

Under James Blair the YMSO

played it with a good deal of vigour, even if some details failed to make their mark and there was sometimes a lack of rhythmic sharpness. The orchestra went on to give an enthusiastic and noisy account of Respighi's noisy and enthusiastic Roman Festirals, a real pot-boiler most notable for an outrageous rip-off from Petrushka in its concluding section. Between the two show-pieces Vovka Ashkenazy was the attractive passage near the opening for the strings, its tonality concerto, brisk and efficient.

#### STAYING IN LYON? Complimentary copies of the Financial Times are now available to guests staying at the

HOTEL DES ARTISTES - FRANTEL GRAND HOTEL CONCORDE

HOTELSOFITEL · HOTEL LE ROOSEVELT

#### Richard III/Paris **Nicholas Powell**

caise, to revamp classical reinforced by curious back-theatre. Working within that ground snatches of the tune "O tradition Georges Lavaudani's sole mio."

production of Richord III, playGeorges Vavaudant slips into ing at the Theatre de la Ville in Paris after being acclaimed

gimmickry. ideas work remarkably well. Ariel Garcia-Valdes as Ricbard delivers his first monologue from a trap-door in the stage and emerges painfully to reveal an iron brace on his leg. The brace transforms his movements inio an awkward hobble, an evil, jubilant dance when be rejoices over his misdeeds. Outrageously blond, white-faced and lip-sticked, Ariel Garcia-Valdes invests his character with a range of sinister grimaces and ticks, a consummate villain from the outset. The lines "Cheated of feature by dissembling nature/ Deform'd, unfinished . . ." are delivered — in a bald translation - in the same tone as the rest. making Richard's deformily just a symptom of his

casual element. An ominously grey stage with convenient iraps and occasional backdrops serves as an admir-

corruption, rather than a

It has become virtually ob- carnage. The rest of the cast ligatory in France over recent in striking, brightly coloured years, even within the respectful walls of the Comédie Francaise, to revamp classical reinforced by curious back-

the grotesque, however, by having the vituperative Queen at last year's Avignon Festival, Margarei played in drag, and wavers between invention and bad drag at that. Philippe Morier-Genoud, whose voice fal Some of Georges Lavaudant's ters between something bass deas work remarkably well. harilone and badly mastered triel Garcia-Valdes as Ricbard falsetto, is more of a refugee pantomime dame than a vindic tive former sovereign.

A similar misplaced sense of

vaudeville creeps into the mur der of Clarence, whose clown like assassins in black sequined shirts and white gloves tease rather than threaten. Instead of increasing the horror of the scene, the device deflates it. Georges Lavaudant has Richard, as he hears of the

arrival of his enemies, line up glass after glass of red win on a table. The scene would have been more effective If Ariel Garcia-Valdes had changed emotional key, instead of playing the part like a passionlesa automat heading for military disaster.

The last fatal clash between Richard and Richmond is admirably staged. Elsewhere there is too many tricks, including that almost obligatory instrument, ably multi-purpose set to sus- almost obligatory instrument, lain the play's rhythm of the stroboscope, to compensate.

Opera and Ballet

Berlin, Deutsche Oper: Händel'a Mes-siah will be presented in a sceoery vision by Achim Freyer. The cast in-cludes Harald Stamm, Cheryl Stud-er and Ruthild Engert. Tosca is sung in Italian. Salome brings together Lisbeth Balsley, Ruth Hesse and Ingvar Wixell. Der Troubadour is a Herbert von Karajan production.

Hamburg, Staatsoper: Ballet: Hom-mage à George Balanchine (in mem-ory of George Balanchine) Die vier Temperamente, Mozart 338, Tchai-kovsky's Pas de Deux choreo-graphed by George Balanchine and John Neumeir: three ballets: Regen-lieder, Kinderszenen and Mahler's fourth symphony chorpographed by fourth symphony choreographed by John Neumeier, Soloists are Ales-sandra Alberti, Lynne Charles, Chantal Lefevre and Eduardo Bertiai (35t t5t).

#### LONDON

Royal Opera, Covent Garden: A second viewing of this season's new production of Der Rosenkavalier, which opened in December – a lightweight, not fully worked staging by John Schlesinger which receives more than its due in the conducting of Georg Solti. For the first performance the principals are tha original ones – Kiri te Kanawa, Agnes Baltsa, Barbara Bonney, Ange Haugland; thereafter, Anne Howelis

takes over as Octavian, Also, La Traviata, with Heana Cotrubas as Violetta and Colin Davis conducting.

pears each Friday.

English National Opera, Coliseum:
Iain Hamiltoo's Anna Karenina,
which the ENO successfully staged
a couple of seasons ago, returns for
its first revival; Lois McDooall again
takes the title role, alongside oewcomers David Hillman and Rogar
Roloff (the American bass-baritone
making his British debut Locathan making his British debut]. Jonathan Miller's updating of Rigoletto to the early 1950s in a New York setting, probebly the ENO's most celebrated production for many years, is back in the repertory in excellent shape. (233,3181)

#### PARKS

Alexander Dargomyiski's Le Coovive de Pierre based on Pushkin's ver-sion of the Don Juan myth is an op-era essentially vocal and rarely per-formed. Conducted by Jean-Claude Casadesus in an Otomar Krejca pro-ductioo, Don Juan is sung by Allen Cathcart, Dona Anna hy Mariana Nicolesco/Helene Garetti and Laura by Glenys Lioos/Eva Saurova. Salle Favart-Opera Comique (296061t).

Tristan and Isolde conducted by Ma-rek Janowski in a new production, co-produced with the Cologne Opera with Tristan sung by René Kollo/ William Johns, Isolde by Ute Vinzing/Gwyneth Jones and Brangane by Nadine Denize/Waltraud Meier at the Paris Opera (742.57.50).

#### ITALY

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts ap-

> year, to mark the 300th centerary of his birth, Håndel's opera Grulio Ce-sare, conducted by Gabriele Ferro with Margarita Zimmerman singing the role of Caesar and Kaaren Erik son as Cleopatra (taking over Mon-serrat Caballe's role). The costumes are by William Orlandi and the scenery by Anne and Patrik Poirier. (46.17.55).

Rome: As part of the celebrations this

(46.17.59).
Turin: Teatro Regio: A new production of Manoo Lescaut conducted by Michelangelo Veltri, with scenery and costumes by Pasquale Grossi, with the soprano Maria Chiara making her Italian debut in the title role (54 80 00). (54.80.00).

#### NETHERLANDS

tional Ballet, Les Biches (Nijinskal, Apollon Musagete (Balanchine) and Petrushka (Fokine). Amsterdam, Stadsschouwhurg (242311): Groningen, Stadsschouwhurg (182331): Utrecht, Stadsschouwhurg (310241). The Netherlands Opera in Orlando directed by Filippo Sanjust. The Radio Chamber Orchestra under Nicholas Kraemer, with Jard Van Nes in the title role and Ann Dawsoo as Angelena. Amsterdam. Stads-Angetica. Amsterdam, scheouwburg (242311).

Staatsoper: Raymonda by Petipa, Nu-reyev and Glasunov: conducted by

Schirmer; Wozzeck conducted by Hollreiser with Armstrong, Jahn, Berry, Moser, Die Fledern ed by Kulka with Gbazarian, Hintermeier, Gruberova; Tosca conducted by Arena with Dimitrova, Pavarotti, Wixeli. (5324/82657).

Feb 8-14

Metropolitan Opera (Opera House).

James Levine cooducts the premiere season of Nathaniel Merrill's mere season of Nationale Merrin's production of Porcy and Bess, de-signed by Robert O'Hearn, with so-pranos Grace Bumbry and Myra Merritt bass Simon Estes and bari-tones Charles Williams, Gregg Baker and Bruce Hubbart, James Levine also conducts Lohengrin, with Anna Tomowa-Sintow, Eva Martoo and Placido Domingo and the last and Placido Domingo and the last seasonal appearances of Wozzerk, with soprano Hildegard Behrens and baritone Christian Boesch. The week includes Placido Domingo con-ducting La Boheme, with Catherine Malfitano; Neeme Jaervi conducting Eugene Onegin, with Kay Griffel and Leo Nucci. Lincoln Center (382 5000).

#### · TOKYO

Japanese Classical Dance: Some of the leading dancers including Han Takebara, Yachiyo inoue (bonoured dedication and skill), celet 30th anniversary of the Association of Classical Dance. National Theatre (Wed. Thur). (5336455).



# The new DATA GENERAL/One. The only IBM-PC compatible computer you can use anywhere.

The new DATA GENERAL/One gives you industry-standard performance in places no other PC dares to tread.

First, its truly portable because it's the size of a briefcase, only weighs 10lb. and will run for up to 8 hours on rechargeable batteries. That's in addition to a mains power option.

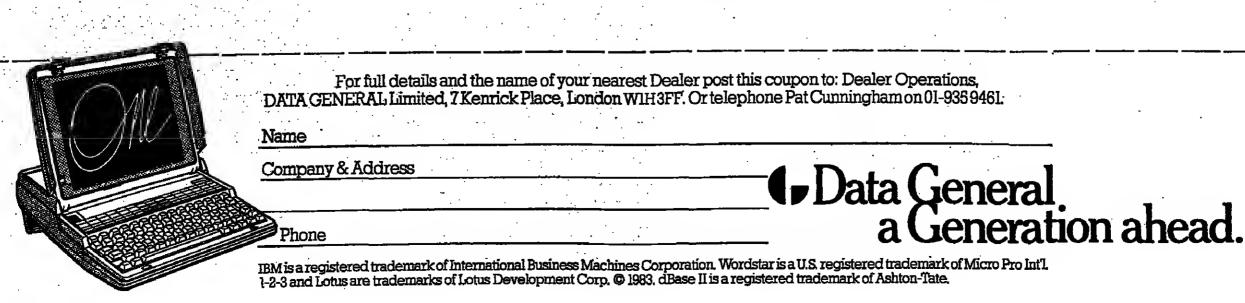
Second, the DATA GENERAL/One is the only portable computer of its kind that's compatible with IBM® – PCs. So you've access to an extensive range of software – including Wordstar,® Lotus 1-2-3® and dBase II.®

Third, it offers a 512KB memory, nearly 1.5MB of integral disk storage and the ability to communicate with mainframes.

And lastly, it's the first portable with all this capability that has a full-size 25-line high definition screen.

Clearly, when you invest in a portable computer you want a serious worktool, not an executive toy.

The DATA GENERAL/One doesn't only offer unique and unrivalled capabilities. It lets you use them wherever and whenever it suits you. Rather than where and when it suits the computer.



AFFT

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY Telegrams: Finantimo, London PS4. Telex: 8954871 Telephone: 01-248 8000

Tuesday February 12 1985

how the national interest can he served by a minister mis-

leading Parliament.
These issues are not con-

fined to Britain. In the U.S. Sarab Tidsdall and Clive Pont-

But even under a much-needed freedom of information measure to allow disclosure of

and access to a much wider range of official information,

some system of internal discipline and procedure would

he needed for public servants. Governments would still require

some matters to be confidential

and civil servants would need

and civil servants would need a framework within which to work if they felt that the higher authority of Parliament was being misled or abused.

The U.S., which carefully defined rules in both the Freedom of Information and the Civil

of Information and the Civil Service Reform Acts, again shows one possible way forward. The British civil service unlons

suggest another with a code of

suggest another with a code of conduct, making a civil servant's first line of approach through departmental bead, permanent secretary and bead of the civil service who bas access to the Prime Minister. Ministerial attempts to mislead Parliament,

such as that alleged against Mr Heseltine, could be reported to departmental heads who could

report to either the Ombuds-man or the MP chairman of the

appropriate Commons select committee. These ideas merit further investigation.

It is not likely that the special circumstances surrounding the

government departments. More

to the point is what the Gov

eventually another Section two prosecution, it will he abrogat-

ing its duty under any defini

# The law is an ass

THE fundamental function of the often matigned jury system is ultimately to apply sound common sense to the theatrical and legalistic rhetoric of courts of law. The jury of eight men and four women in the Clive Ponting case yesterday performed that function admirably: after 11 days of trial during which it became clear that the judge's interpretation of the law would have required a conviction, they took less than three hours to reach a conviction alike on Wednerday, apparently stemmed from his view that the interests of the state are synonymous of the sta than three hours to reach a unanimous verdict to acquit.

This welcome verdict raises a host of fundamental issues, the two principal ones being the future of Section Two of the

host of fundamental issues, the two principal ones being the future of Section Two of the 1911 Official Secrets Act, and the rules governing the hehaviour of public servants.

Mr Ponting, a Ministry of Defence official with detailed knowledge of the Belgrano sinking during the Falklands War, believed Mr Michael Heseltine. Defence Secretary, was misleading Parliament about what really happened. He therefore sent two documents, one confidential and one unclassified, to Mr Tam Dalyell, the Labour MP nushing the the Labour MP nushing the Government for information.

The jury accepted the defence that Mr Ponting's principle duty as a servant of the state was to the supremacy of Parliament rather than to an Individual minister.

More thany anything else the erdict again highlights the fortcomings of Section Two of he Official Secrets Act. This makes it an offence to supply any "official" information which the Government does not want disclosed to an "un-

authorised" person.
In 1972 a committee chaired by Lord Franks declared that Section Two was a "mess," its catch-all provision being "saved catch-all provision being "saved from absurdity only by the sparing exercise of the Attorney-General's discretion to prosecute." Between 1916 and 1979 there were 34 prosecutions; but since 1979 there have been 16. Mr Leon Brittan. Home Secretary, thinks it should be amended; Sir Micbael Havers, Attorney General disapproves of it—vet has used it approves of it—yet has used it more than any Attorney General since its introduction.

The problem, faced and ducked hy every government since Franks, is to find something to replace a repealed Sec-tion Two. To save itself further torrent of sensitive leaks from embarrassment, the Government might now usefully make a serious attempt to find an

Whatever else, any longoverdue reform needs either to avoid or refine closely the phrase "interests of the state." tion, except perhaps Mr Justice Mr Justice McCowan's original McCowan's, of the wider inclination to direct the jury to national interest.

Western Europe conduct
their politics with such
a sense of theatre as does
France. Currently opening on
the French stage is a long playing electoral drama that will
last at least until well into next The prelude is provided by

EW other countries in

the local, or cantonal, elections for which the French go to the polls in two rounds on March 3 and 10. The denouement will come with the Parliamentary elections in the Spring of 1986. elections in the Spring of 1986. It is hy no means impossible that the performance will end with such a rout for the Sociallsts next year as to drive President Mitterrand from the Elysee in its wake. More probably, the result of the 1986 elections will be less conclusive leaving a messy situation in which a right wing National Assembly is in conflict with a Socialist President—thus depriving France of effective government until the Presidental elections in 1988. Betwixt and between lies a plot thick with aurprises.

with aurprises.
On any cold analysis of electoral strength, it is difficult to see bo with left can avoid electoral defeat in 1986. At the last test of strength in the European elections of June last year, the left (including Socialists, Com-munists and minor left wing groups) gained only 40 per cent of the vote against the 60 per cent marshalled by the combined opposition (the neo-Gaullist RPR, the centrist UDF, the extreme right wing National Front and various minor right wing parties). That represents a gap almost unprecedented in French electoral history where victories have tended to he won

by narrow margins.

Both the Socialists and President Mitterrand have recently had more bounce to their stride. But there is nothing in the present situation of France running an economic growth rate lower than that of ber European partners, of unemployment hover-ing close to 21m, and of a Communist party transformed from ally into vitriolic opponent (as was shown in the 25th Congress of the party which ended on Sunday) to suggest that the Socialists can claw back that

Nonetheless the message from the Elysee is that the out-come of the battle next year is hy no means certain. The Elysee bases its confidence on three factors. The first is the major changes in French society and attitudes that bave occurred in recent years and which make voting patterns more unpredict-

able.
The second is that the Government has plenty of ammunition up its sleeve from improvements in the economy to electoral reform and the divisions amonog its opponents. This could be enough to deprive the right of the outright victory that it needs in 1986. For if the Government can-

not hope to maintain absolute control in the National Assem-bly after 1986, it can bope for an Assembly sufficiently divided the classic right has to depend on the support of the racist supporters of M Jean-Marie Le Pen's National Front to ohtain 50 per cent of the seats - to erument intends to do. If it pro- 50 per cent of the seats — to crastinates further, allowing give M Mitterrand the room to manoeuvre that be needs to re- Pen): but it values those with main in the saddle until 1988. The third factor — less trumpeted at the Elysee—is that M Mitterrand is one of the most admit and long run-

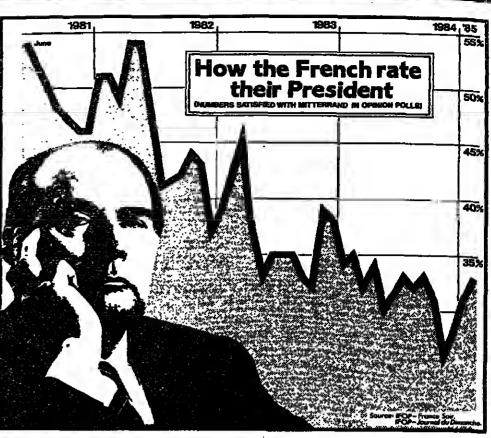
ning performers on the French

stage, and that as President under the 5th Republic be has

France's electoral marathon

# Mitterrand: now the real battle has begun

David Housego in Paris reports on the President's bid to capture the middle ground



more power than any other unions, the Communist party, western head of government or the state broadcasting mono-His pugnacious speech at poly. But it is also a country Remes ten days ago and his that has become far more combative tour of Picardy last week show that the old "pro" is back in the arena in fighting

It is worth taking the sociological changes first because, if thay are the least tangible, they also explain a lot about M Matterrand's strategy. In their different ways economic recession (coming after an un-paralled period of post war prosperity) and three-and-a-half years of Socialist rule (in the wake of 23 years of right wing government) have each brought about fundamental changes in attitude.

France is a country for less sure of itself (one of the reasons why in the first place it opted for M Mitterrand's avuncular socialism). It is in the process of swapping an historic trust



in the benevolence of the state on the benevolence of the state for a bearty distrust of state intervention (bence in part the revolt last year in defence of the private schools); it is in-creasingly sceptical of ideo-logies (both Marxism and the Communist party seem to be sliding to a footnote role in French history); It Is preissues than national dramas (the outery over the quality of education, jobs, delinquency and immigration); It is disaffected with its politicians (which explains in part the rise of M Le a reputation for clearsighted-ness and intellectual honesty (hence the popularity of M Raymond Barre, the former Prime Minister).

that has become far more aware of international economic realities and the logic of inter-national competition which has produced a growing consensus over economic policy and an acceptance of the disindutation of wages.

Some of these changes show Some of these changes show up clesrly in public opinion polls. One published last week showed that 59 per cent of the French believe that liberal economic policies will encourage economic growth—an extraordinary turnabout from the trend in 1981 that hrought to power a government comto power a government com-mitted to large-scale nationalisa-tion. Nearly all of the changes push in a conservative or liberal

direction.

Since 1983 M Mitterrand has adjusted his political sights accordingly. In the summer he replaced as Prime Minister M Pierre Mauroy, a generous-hearted Socialist who believed in the locomotive role of the state, by M Laurent Fabius, who makes a virtue of being liberal and non-interventionist. and non-interventionist.
In M Jean-Pierre Chevene-

ment be now bas a Minister of a young Catholic politician of the right to the architect of a formation.

In a speech in Aquitaine in with M Mitterrand. ctober he said that it was fear that the French were goal, M Mitterrand intends to October he said that it was clear that the French were "not enchanted with the [Socialist] film they are watching today." But they were no It is a country that bas become impatient of its ageing monoliths, like the trades it possible," be asked, "to con
But the first latter with the free in the latter latter and the present of the present where the latter latte

struct another scenario? And could it be with the same actors or with others?" In other words, against the extremes of both left and right and against the faded charisma of former President Glscard d'Estaing or M Jacques Chirac, the head of the RPR, M Mitterrand is seeking to stake out a new middle ground that will rally all Frenchmen of sound

sense and good will.
There is no reason why
French voters should accept this more centrist tilt from a man they voted in three-and-a-half years ago to carry through a Socialst programme—and perhaps they never will. But what is clear is that they will not bave had time to make the adjustment by the spring of next year when the Parliamentary alections.

tary elections are due.

M Mitterrand needs to do two things between now and 1986 if he is to achieve the divided National Assembly that could give him and the Socialists a second wind in 1988. Both are difficult but not impossible.
He needs to maintain a suffi-

ciently large Socialist represenciently large Socialist represen-tation in the National Assembly so that they could be a compo-nent in a new government after 1986. He also needs to main-tain the divisions btween the RPR and the UDF (the orthodox parties of the French right) while ensuring that the ex-tremist National Front is also well represented in the Assemment be now bas a Minister of Education who is enforcing in the schools the conservative values of "merit, effort and patriotism." In industry, the sacking of M Bernard Hanon as bead of Renault was a symbolic move against a man who mistakenly gave priority to good relations with the unions Thus M Mitterrand, who in his long political career has covered the distance between the ment in a new government after 1986. He also needs to maintain the divisions between the divisions by tween the divisions by tween the covernment after 1986. He also needs to maintain the divisions by tween the divisions by tween the divisions by tween the covernment after 1986. He also needs to maintain the divisions by tween the e between the devil and the deep blue sea-between a coalition with M Mitterrand or with M Le Pen. Socialist alliance with the Mitterrand or with M Le Pen, up in renewed pressure on the Communists, is in the process There are already signs that a franc.

The opposition starts from the basis good many Gaullists and cen-trists would prefer an alliance

bring in proportional represen-tation for the Parliamentary elections instead of the present

the present voting system, would be abla to exploit their the Socialists would be cut-down to about 50 seats in the that the orthodox right are now Assembly from their current making s strength of 269—the Socialists at unity. have no easy task.
Their share of the vote has

slipped from a peak of 39 per cent in the Parliamentary elections of 1981 to only 21 per cent in the European and they expect to do badly in the cantonal elections as well.

Against this, the strength of

Government's case is their tenacity. They opted for an unpopular economic policy and they are now beginning to reap the first signs of success in a falling inflation rate, an improvement in the balance of resymetry and healthless conpayments and healthier cor-porate profits. The Elysee is confident that unemployment will start to flatten out and then fall some time this year.



Between now and the elec-Between now and the election, there are nonetheless still will bestrew the opposition's path as they try to implement their own programme. Most of result of having their room for manocuvre reined in by a still substantial budget deficit, the upward pressure of interest rates, a volatile dollar and a sizeable foreign debt. Any who fears that firm governsizeable foreign debt. Апу over-generous pre-electoral giveaways would quickly show

votes—but they are votes divided between parties as diverse as the liberal UDF and the racist National Front and whose leaders have a long poli-

the scales—the left wing of the damage this squabbling Nouvel Observateur magazine has done to their credibility calculated this week that under and the fear that M Mitterrand would be abla to exploit their making such determined efforts

The Socialists cannot bope to do well electorally unless M Mitterrand recovers more of his popularity. After looking downcast at the end of last year, and being projected in the Press as a pale figure on the way out, be has recovered his punch.

The battla over the coming months promises to be hard.

M. Mitterrand (and the Socialists) face what is likely to be another humiliating defeat in the cantonals; a major row over proportional representation; and another nasty controversy over the future of New Caledonia.

future of New Caledonia.

M Mitterrand's staff at the Elysee believe he will stay on as President whatever happens in 1986 and that be will not allow himself to be pushed aside as a figurehead, as the Opposition clearly intends if it cannot get rid of him.

They point to the immerse

They point to the immense powers of the President, to bis powers of the Freshent, to his right to dissolve the National Assembly, and to the continuing economic problems that will bestrew the opposition's path as they try to implement their own programme. Most of the opposition is also working

who fears that firm ment will be possible between 1986-88 in the event of a con-flict between a right wing Assembly and a Socialist Presi-dent and that France could be of the European elections it commands 60 per cent of the votes—but they Mitterrand will have the decency to step down to protect the honour of the Presidency if the left should suffer an overwhelming defeat. If be were right, M Mitterrand could be entering his last 400 days.

abmidt:

Α. Α.Δ. Σ.

Extenç

# A new kind of bus service

BUSES are clearly an emotive travelling established routes at subject, as anyone who ever scheduled (though in practice travels in one or waits for one will know, though their use bas could be changed. Buses could declined dramatically over the years. Since 1953 bus and coach passenger miles have gone down large taxis carrying more than by half and the bus share of one set of passengers, as bas total travel in Britain has descended from 42 per cent to Mexico City. The traditional sper cent. At the same time, routes are not necessarily the costs of coverting the 8 per cent. At the same time, the costs of operating the right ones. There might be a services—at least as most of need to establish new ones them are presently run—have risen way beyond the rate of inflation, and way beyond the centres. There could be a requirement for more frequent. rise in the cost of running a private car or using a taxi or mini-cah. The fares have risen sharply, too, despite subsidiea. The result bas been that rural

hua services have diminished and that subsidies in urban areas have become unacceptably high. Precisely because buses are such an emotive subject, however, the Government's attempts at reform are facing considerable opposition not least from its own back benches —as no doubt today's debate in the House of Commons will

Yet the proposed legislation is a perfect micro-illustration of what the Thatcher administration at its hest is trying to do. Unlike some of the Governdo. Unlike some of the Government's other ventures, such as abolition of the metropolitan authorines and the Greater London Council, it has also heen quite carefully prepared. There was the Transport Act of 1980, for example, which did away with rnad service licensing for long distance cosch licensing for long-distance coach services (over 30 miles). It was much crificised at the time, but the new services introduced have became a way of life and

fares have fallen.

The new Transport Bill is an attempt to go much further hy extending competition to all hus services outside London.

be smaller, some of them much smaller. They could operate as requirement for more frequent services which would fit well with smaller vehicles. This has already happened in Exeter. Subsidies

The trouble with the present system of regulation is that there is virtually no incentive for change—only a continuing loss of passengers accompanied by a rise in subsidies and in fares. Competition would provide flexibility. It might also meet popular demand, for there must he many people who would prefer to take a hus rather than their car provided that they knew there was a rellable service. Not least, competition would open the way to productivity agreements on a company-hy-company hasis which would reduce operating costs. The experience of the long-distance coaches has demonstrated that: so have the timited experiments in deregulating urban services

It has been suggested that an interlm solution lies in putting the services out to franchise. It might save some money, but the evidence produced by the Department of Transport indicates that it makes sense to go further. The Government has one other point to answer. It is feared that deregulation would extending compension to all hus services outside London. Opposition to it seems largely to be hased on the fact that it is a hreak with tradition. That is what is good about it.

There is no obvious reason why buses and bus services should hecome much of be. The usual concept is of a vehicle of a certain size, are socially necessary. The subshould remain what they used to be. The usual concept is of a vehicle of a certain size, are socially necessary. The subshould remain what they used to be. The usual concept is of a vehicle of a certain size, are socially necessary. The subshould remain what they used to be. The usual concept is of a vehicle of a certain size, are socially necessary. The subshould remain what they used to be. The usual concept is of a vehicle of a certain size, are socially necessary. The subshould remain what they used to teaching top people's drivers how to keep their employers safe from bandits, terprovists, hi-jackers, common are some rural services heing day.

Instead of attending them May.

A part from hacking director Sir James Goldsmith's ventures on the U.S. stock market. A five-day course will be devoted to teaching top people's drivers how to keep their employers safe from bandits, terprovists, hi-jackers, common are discriminate. The subshibition of the very rich and very famous will he sending them Sir James Goldsmith's ventures on the U.S. stock market. A five-day course will be devoted to teaching top people's drivers how to keep their employers safe from bandits, terprovists, hi-jackers, common are discriminated to the unusual husiness seminar in May.

Apart from hacking director Sir James Goldsmith's ventures on the U.S. stock market. A five-day course will be devoted to teaching top people's drivers how to keep their employers safe from bandits, terprovists, hi-jackers, common bandits, terprovists, hi-jackers, common bandits.

#### industry of **Grantham girls**

Grantiam, Lincolnshire, is winning a special reputation as a cradle of high-powered women. The latest dynamic female to emerge from the home town of Margaret Thatcher is Jean Par-

ker. Mrs Parker, aged hecomes vice-chairman of the Confederation of British Industry's smaller firms council and will become chairman next year. She is well equipped to crusade on behalf of Britain's entrepreneurs. Not only was she at Grantham Girls' School at the same time as Mrs Thatcher (although several years junior to the future pm) hut she also runs her own 25-year-old col-lection of family companies called the Langpark Group. Her diverse range of husinesses includes Minerva Fine

Arts, a gift marketing company, and a property group which develops small workshops. Mrs Parker has only met Mrs Thatcher once in the last ten years. And she staunchly denies that their schoolgirl connections mean that she will have an extra warm welcome at Number 10. But it would be surprising if they do not find their pays crossing more frequently in the

future. particularly worried about the pound's weakness, for instance.
She says: "I don't think that
the Government always realises
what repercussions their actions
throw on to small husinesses."

#### Road safety

That shrine of racing drivers, the Bugatti circuit at Le Mans, France, is to be the setting for an unusual husiness seminar in

### **Men and Matters**

criminals, and other impediments to unruffled passage along the rnads.

The Office de Recherche d'Organisation et de Securité. which is organising the course, says "the times are long past when, to be a chauffeur, you had simply to be devoted and well hrnught up."

As well as being taught to

spot a criminal type at long range the chauffeurs will he instructed in driving in true Le Mans style to get out of a tight

corner.
All admirable preparation for London's rush hour traffic.

#### Fortune's wheel

investing in casino companies like Aspinall Holdings, as managing director John Aspinali has made clear, Is not to be recommended for widows and orphans. So there were no anxious

murmurs among shareholders when he advised them to expect wide swings in the "luck fac-When they do meet Mrs Par-ker will have plenty to say to ker fellow Granthamite. She is London's Mayfair. The national average horse take is 19.5 per London's Mayfair. The national average he'se take is 19.5 per cent of the "drop"—just ahout the Curzon's take last year—but it could vary in any year between 15 and 25 per cent.

"At one point we were minus 3 per cent after a few weeks."

Aspinall sald.

But he ahhors small-time gamblers as much as small

gamhlers as much as smell shareholders. "We're a little ashamed of anyone who's not capable of losing £3,000 a night."



"More complaints—yon're not an MP travelling on a second class ticket are yon?"

all over South East Asla, once more direct flights bave been arranged. Wealthy punters in the region are starved of gamhling opportunities, he believes. "They trust Englishmen who look like me—maybe to their cost," he joked.

#### Indian hat-trick

India's ministry of defence india's ministry of defence production secretary, M. C. Sarin, who has gone on leave six mooths before retirement because one of his staff is named in the country's spy scandal, insists that he has left voluntarity.

And that would be a hat-trick for Sarin. He has quit twice hefore after rows with ministers during a long and distinguished teaching top people's That may seem an unlikely public career. In 1971 he was one of four executive directors of India's state trading corporation who left when the commerce minister of the time tried to dictate whom Sarin should employ and promote.
In 1979 he resigned as Indian Airlines chief executive

becsuse the government failed under political attack. This time, although government says he was asked to go on leave, be insists he has vacated his office in protest at the government's refusal to

comment on newspaper leaks and court confessions on the spy scandal. His crime in the government's eyes is that he did not stop his office staff leaking photocopied documents to the spy ring.

As a precaution, his photo-stat machine was kept in his own room rather than an outer office. "The problem is that you never think of locking up a photostat machine when you leave the room," he says at his Delhi home as he looks forward to hours of freedom on his beloved hobby — growing 200 varieties of cactus.

#### Without number Old hahlts die hard at British

Telecom. A colleague bas been lent a car telenhone hy Cellnet, the new cellular radio service, which started last month. He turned to it with some relief when he got stuck in a traffic jam on London's Embankment, late for a meeting at the Howard Hotel.

Howard Hotel.

He 'phoned directory inquiries and asked for the hotel's number. "That's not a mobile is it?" asked the operator. "We don't have any directories for land lines at the moment and I can't connect you to the main inquiry service."

With BT investing millions in the new service, you might

in the new service, you might have thought it would consider a directory inquiry service vital for anyone trying to telephone from a car.

# Word of warning

Graffiti at the entrance to a West Midlands Labour Club: "Beware of the dogma."

Observer



### Letters to the Editor

### Real wages and unemployment

February  $\mathfrak{p}_{\mathbb{R}}$ 

h rate

New Con-

50 - 151 1 1 1

10 m

6) Professor Nickell points out that real wages are not determined solely by nominal money wage bargaining but depend also on what happens to the price level; and, further, that the relationship between money wage behaviour and real wage behaviour depends on what happens to the price-wage mark-up which depends in part, on the level of nominal demand. In concluding from demand. In concluding from this that there is no particular aggregate relationship hetween real wages and employment, he seems to be suggesting that the mark-up is solely a residual in the equation. While this may well be true in the short run, it is hardly likely to be true in

In the short run, faced with a money wage explosion, firms may have to accept a temporary cut in their mark-up, so that for a given level of nominal demand, employment may be unaffected although real wages have risen. In tha longer run, however, it seems probabla that firms have an objective for their mark-up (related to desired return on capital etc). Sooner or later capital etc). Sooner or later they will try to adjust the mark-up back towards its initial or desired level. For the same level of nominal demand, real

From the Vice President,
Director of Economics—Europe
—Middle East Area,
Chase Monhartan Bank
Sir,—In his article on unemployment and pay (February
6) Professor Nickell points out that real wages are not determined solely hy nominal money wage bargaining but depend also on what happens to the price level; and, further, that the relationship between money wage behaviour and real wage

The Covernment is perfectly

The Government is perfectly right to stress the need for real wage as well as money wage modaration even though they are not easy to achieve. Clearly, an increase in nominal demand will have a greater impact on employment, the smaller the rise in both the prica level and the average productivity of labour across the nomy as a whole. The smaller the rise in morey wages, the less need there is for productivity to rise to keep down inflation; while the less real wages rise, the less is the pressure on employers to raise labour productivity. Thus real wage moderation no less than money wage moderation is required to bring about an in-

crease in employment. Of course, this leaves open the question whether the Government is presently overrestricting the growth nominal demand.

(Professor) Geoffrey Maynard. Woolgate House, Coleman Street, EC2.

#### Pension—a practical problem

From the Pensions Manager. Norwich Union Life

Norwich Union Life
Insuranca Society
Sir,—Your leading article
"The faxation of pensions"
(February 5) smoothly ignores
at least one practical problem.
Should the investment income of pension funds be taxed
what about existing pensioners? If nothing is done to
help them then their pensions
must be cut.

out of business, to cover the cost of the taxation then the expected pensions of those who have yet to reach retirement must be reduced. Either way it will be necessary for the Government to pass legislation relieving trustees of pension E. J. Brister.
funds of the possibility of being P.O. Box 4,
sued for breach of trust. Surrey Street, Norwick.

In the case of pensioners being paid by insurance com-panies there is the alternative of the insurance company steal-ing the required assets from other policyholders. Of course, if pensions represent a high proportion of an insurance company's business then it may have no alternative but to declare itself insolvent.

Perhaps we could now hava If the employer is unable, either because of lack of tion to the plight of the penout of business to the pensioner.

Am I to assume that unfunded public sector pensions will not be affected by a tax on investment income and that the whole burfen will, therefore, be borne by the private sector?

#### Schmidt's external politics

From Mr K. Wentzel .. Sir,—It has taken me some time to respond to Peter Jay's "comments" (Fabruary 2) on Jonathan Carr's book, "Helmut Schmidt: Helmsman of Ger-

many."
I hope, however, that Mr Jay sonal frustrations concerning cannot wait to get Car. Schmidt's external politics, but completely failed to review the book. Thank goodness that we 15, Ashlone Road, SW15.

Carr, who have a considerably could be shifted to "phase prise trusts, and through them possibly attract selective finantical capabilities than the ex-ambassador to Britain in

Washington, Mention the name Helmut I hope, however, that Mr Jay Schmidt, and everyone has a feels much better now that his "review" has appeared in your paper, in which it seems that peter Jay? Having worked my he off-loaded all of his personal frustrations concerning way through his article, I cannot wair to get Carr's book.

#### Competition and freesheets

From the Editor,

a free newspaper has often shaken those managing and editing the paid-for variety from a state of monopolised torpor into a greater awareness of the needs of their local community and advertisers.

While agreeing that the editorial content of many freesheets is appalling, I am not sure that the answer is either to charge for the product or to engage more journalists in order to increase revenue and editorial atanding.

If income is a measure of a newspaper's worth, then many paid-for weeklies, and dailies. are worthless, even if they are staffed by more journalists than those employed by freesheets. It would be more to the point to question the quality of the Tewkesbury, Glos.

journalists concerned.

Mr Fazey pays no attention to Sir,—Ian Hamilton Fazey's the wida range of commercial case against freesheets (Lombard, February I) deserves a mong other specialised areas reply. as "an inextricable part of democracy" is praiseworthy, but the competition provided by a free succession of the success

Such publications exist to inform a particular audience with readable stories and features relating to their particular interests. They also provide advertisers with an opportunity advertisers with an opportunity to reach a particular market. Doubtless they are "rammed through peopla's letter boxes," but they happen to be the right letter boxes.

I believe that at tha end of I believe that at the end of the day market forces, the consuming public, dictate what a market gets. It was, I think, John Osborne (no relative) who once described one national newspaper as "written by people who cannot write, and read by peopla who cannot read." The newspaper is long since dead. since dead.

Colin Osborne. The Old Forge, Ripple.

### Extending VAT and losing jobs

does indeed make good sense. This, as Michael Prowse points out however, is only true if
the tax is extended on the basis
of "fiscal neutrality"—the docfood case, is that it is plain trine that "taxes should not unnecessarily interfere with personal or corporate decisions."

take-away food but not cold take away food or indeed all A. J. Lainchbury. food.

This has resulted in a mas- Comberley, Surrey.

sive shift of business away from From the Secretary,
Hot Take Away Action Group.
Sir,—Much of what Michael
Prowse argued (January 28)
"Why VAT makes more sense"
"Why VAT makes more sense of 30,000 part-time jobs and of 30,000 part-time jobs and 7,000 full-time jobs.

increase its prices by 15 per cent during a period of inflation A good example of not following this doctrina was applying VAT at 15 per cent to hot

403 London Road,

#### Closing pits in South Wales

From the Deputy Director South Wales Area, National Coal Board

Sir,—Mr Glyn (February 6) finds the response of the NCB (S Wales area) to his report "wholly unconvincing." Well, he would, wouldn't be? After all, you don't ask a barber if you need a haircut; hut, in describing why be is uncon-vinced, he misrepresents our case. We are not arguing that our collieries in South Wales are "protected from closure because of the specialised coals they produce." If Mr Glyn re-reads our response he will find that we can only realise tha benefits which our specia-lised fuels confer "provided (we) continue to cut costs." Our strategy is designed to do

Our strategy is designed to do just that and to do it without swingeling closures and without compulsory redundancies. If Mr Glyn doubts our shility to deliver he might consult his well-thumbed copy of the NCB report 1983-84. At Schedule 7 he will find that in that year despite inflation, overtime ban and start of present strike, South Wales col-lieries reversed the trend of decades and actually produced coal at lower unit cost than in the previous year; and if Mr Glyn consults Table 5 of his own report, and overcomes his obsession with "the higgest loss-makers in the country," he will find that Betws Colliery is, on his own figures, the second most profitable colliery in the

not enjoy some form of natural immunity from competition. Our destiny is in our own hands. Cost reduction, not pro-tection and providence, will keep out imports provided the present dispute has not irrevo-cably soured our markets.

Mr Glyn displays the merest

hint of intellectual arrogance when he claims that we ignore the "central point" of his report. In Cardiff, if not in Oxford, the central point of his report is that assertion that 20 collieries in South Wales will close to make way for English power station coal planned to coma on stream over the next size years. The intellectual silp is beginning to show when Mr Glyn argues that our atrategy of about half a dozen closures in the next two years "is consistent" with his 20 closures in the next six years. Is it a natural law of economics that what happens in the short-term (two years) can invariably be projected into the longer term? To put it in another way, if two pints of beer make one of Mr Glyn's students feel good, do 10 pints of heer make said student feel five tive as good? The Intellectual stocking-tops are glimpsed when Mr Glyn argues that "continued silence would indicate that the NCB have no answer." Mr Glyn should consult the example of Count von Moltke who, while contributing decisively to events, "stayed silent in seven

R. Proctor. UK and that two other South
Wales collieries, Marine and
Deep Navigation, feature in his
"top twenty." In brief, we do

R. Proctor.

Coal House.

Ty-Glas Avenue,
Llanishern, Cardiff.

languages."



#### The future of smaller mines

From Shirley Pickett.

scale of the proposed closure of uneconomic mines, it might help to resolve the on-going deadlock between the National Union of Mineworkers and the National Coal Rosed of the pany could be set up to help concept of "immediate" closure

While this is probably not feasible from the NCB's point of view of large-scale operation, if the mines concerned could be de-centralised from the NCB and re-created into small and medium-sized individual units then it might be possible to run them until the coal eventually runs out.

The mechanism to achieve this, could be the creation of miners "worker-co-operatives," with the miners given tha opportunity to take-over or effectively "huy-out" their mines. The areas affected could perhaps be declared "coal redundancy areas " and as small and medium sized enterprises the worker-co-operative mines 54, East Smithfield,

rom Shirley Pickett. European regional develop-Sir,—In considering the time-ment funds for consultancy, pany could be set up to the co-operatives to create enterment of Trade and Industry on preferential terms.

> The time gained through the natural course of attrition and gradual phase out of the so called uneconomic mines would allow miners in mid- or late career to retain their jobs until retirement. If would give younger miners the opportunity to transfer to an NCB mine, or to retrain for another career. The management knowledge gained in running a worker-co-operative would enhance their work experience, and open more opportunities for jobs in other

Shirley Pickett, might attract funds from the Royal Mint Square, El.

#### U-turns on UK airports

Not least of these is "the credibility of the public plan-ning inquiry procedures in the UK for settling major develop-ment issues." Communities in the huge area already adversely affected by only a three terminal Heathrony were given an im-Heathrow were given an un-equivocal promise by Govern-ment in December 1979 when ment in becameer 1878 when terminal four was approved (after a lengthy planning inquiry exposing the environmental damage wreaked by the airport) that Heathrow's expansion would be limited to four terminals; and air transport movements at Heathrow would be limited to 275,000 each year. Frequency and numbers of overflying aircraft is the burden. Hence the vital importance attached by the Heathrow communities and residents to this pledge. These promises were given as part of the public planning inquiry procedures. Moreover there is particular bitterness in what is seen as the manipulation of planning procedures which brought the issue of any fifth terminal into an inquiry on the expansion of Stansted airport. enough, British Airports Authority, in 1983, flooded tha

area with literature and ran

public meetings to oppose

terminal five-ie any expansion

beyond the fourth terminal

which is not even open nor are

its effects even felt, not least on traffic. Mr Justice Glidewell

the T4 planning inspector, wrote then that "Heathrow is

London's largest generator of

From Mrs P. Nason.

Sir, — The Government's dilemma in deciding the future of Britain's airports raises several issues.

Two years later, in January 1985, British Airports Anthority after spending vast sums of money, not only in mobilising public opposition to T5 and spending vast sums of money on being legally represented throughout the two and half year inquiry, cynically does a complete U-turn in announcing its support for the fifth terminal (as well as expansion at Stansted).

Quite apart from the waste of public money involved (which must be enormous) this cynical voite-face leaves this area aghast at yet anothar miserable example of planning procedures being abus

The residents of Stanste must feel similar betrayal at the support now being given by British Airways to the expansion of Stansted Airport.

Who can seriously give any eredibility to public planning inquiry procedures after the airports inquiries?

The Government can rest assured, given the strength of opposition to the terminal five proposal around the whole area affected by Heathrow-not least the major local authority opposition to the re-location of the Perry Oaks sewage works which currently occupies the As if these factors were not site proposed—that the public inquiries that would be involved in any possible re-location would be so costly, so lengthy, and so interminable that the 12 years Government estimates this would take could be stretched to infinity and public patience at such charades might finally snap. (Mrs) Pippa Nason, 18, Model Cottoges.

Next month's UK Budget

# Lawson's shrinking options

By Max Wilkinson, Economics Correspondent

#### PLUMS FOR THE PICKING?

# the Chancellor, was calculating his chances of bringing off a spectacular Budget for 1985. The political prize would have been a really major reduction in the hurden of income tax. Part of the money for this would have come from a shift would have come from a shift towards indirect taxation, which would itself bave brought im-portant economic benefits. The other part was from the £2bn of room for "fiscal adjust-ment" which he expected to have in 1985-88.

**PENSIONS** Taxing funds income at 30 per cent (net fig.) Taxing lump strm
benefits (1994 fig.,
assuming phased change) VAT

> Fuel, light, power Children's dother

Public transport

Books and newspapers

Since then, tha political and financial options bave been closing off one by one. As one senior Whitehall official ob-served: "The Treasury was asked to make a study of fundamental reforms in the tax system, but then it was told that large chunks of it could not be changed for political interest relief. More recently, Mr Lawson has been forced to

At this time of year, of course, officials are issued with regulation long faces to wear in public (though they are forhidden to speak to anyone), to give the Chancellor his best hope of springing a pleasant surprise on tha day. However, it is also clear that the financial landscape has become genuinely more overcast.

A YEAR ago Mr Nigel Lawson,

The original idea - and it was never more than an idea — was to extend VAT to as much as possible of the 44 per cent of sales which are at present zero rated. In theory, this could have brought in an extra £7bn of revenue to add to the present £18bn. This would be com-fortable enough to reduce the basic rate of income tax from 30 to 25 per cent.

Although any practical re-form would have been trimmed down it is easy to see the advan-tages of this grand strategy. A cut in the basic rate would improve incentives and at the same time reduce the cost of the black economy and the value of tax privileges for buyers and pension

So much for theory, as it was being turned over in a pile of Treasury papers during the late spring and summer. Even then, it was recognised that the scope of the exercise would be limited by fierce lobbying, so that tha chances of making a significant cut in the basic rate would ba

on basic foods, as she had mas the Treasury consensus there was an overwhelming the Treasury's earlier squashed the Treasury's appeared to be that if the argument for raising personal Strategy projects a plan to let inflation gradually switch to indirect taxation tax allowances rather than cut-cut. But next yet destroy the value of mortgage couldn't be done with a big ting the basic rate, mainly to going to be better.

make a rather cryptic pledge that he will not take any "retro-

Food

spective" action to tax pen-sioners' lump sum payments. By the autumn there was a growing realisation in the Treasury that a substantial shift towards indirect taxation was not on. Mr Lawson seems to have moved back to the gloomier view of his predecessor, Sir Geoffrey Howe, that his party—and the country at large reform. -were just too conservative to accept major reforms of per-

Taxing basic foods at 15 per cent could bave raised £4.25bn, but it would have bit the elderly and the poor disproportionately hard. Even if some of the extra revenue had been used to raise the incomes of the poor, it would bave been a difficult package to sell; surveys show that people persistently overestimate price increases, and tend to under-estimate the rise of their real incomes.

sonal tax

However the clinching argument was that 15 per cent VAT on basic foods would have raised prices by almost 3 per cent, pushing the inflation rate this year np to 8 or 9 per cent.

The option of a lower rate on food, say 5 per cent, was con-sidered, but fairly quickly ruled out. Why face a political storm for the sake of "only" £1.4hn, the Treasury argued. Similar arguments applied to the idea of extending VAT to

other items including children's The Prime Minister flatly clothes and books, where vetoed the idea of putting VAT emotions run high. By Christ-

Exempt Items bang, it was not worth doing at

450

375

425

Now, after a sterling crisis, and a general increase in un-certainties, Mr Lawson may again be considering how to get a £100m or so from VAT extension, but this is more in the traditional Treasury spirit of combing the park for butt-ends than out of an ambition to

The Treasury's examination of pension funds has also come up against major difficulties. At present contributions from emplayers and employees attract tax relief at the marginal rate, and the funds' investment income and lump sum payments are also tax free.

Mr Lawson's first problem was that the economic justifica-tion for removing these privileges is slim. There are good reasons for keeping the proceeds of long term saving and investment tax free, particularly when they represent private prudence and provision for old age.

It would be more in accordance with Conservative philosophy to extend tax concessions to all forms of saving, rather than to reduce them. On a more practical level, it is difficult to see how the Treasury could change the tax

regime for pension funds with-out affecting th epensions prospects of existing contributors. If Mr Lawson literally means that he will not take retrospec-tive action the gains to the Treasury would he very slow in accruing.
With limited cash available

improve the work incentives of the lower paid. Each I per cent cut in the basic rate costs flbn. For the same money all the per-sonal tax allowances could be increased by 51 per cent in real terms (in addition to the rise needed to keep pace with in-

flation). However, even at the turn of However, even at the turn of the year there was a general air of optimism in the Treasury that Mr Lawson would be ahla to put together an attractive Budget package. Buoyant oil production and the steady rise of the dollar combined to boost the value of North Sea tax revenues, eo that there was a hope they would be substan-tially more than the £12bn estimated in tha Treasury's Autumn

Statement.
If Mr Lawson could not produce major reforms, at least he could still bope to make a significant dent on the income tax burden with enough left over for a series of measures to help small businesses and the un-employed, and possibly reduce the hurden of capital taxes, January's slide in sterling, with a rise in interest rates to

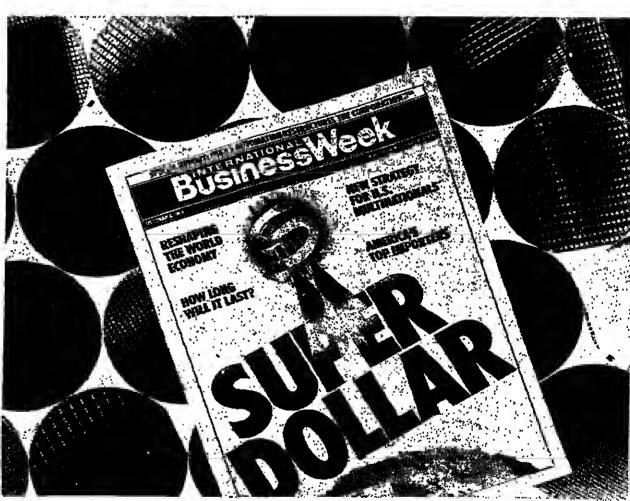
14 per cent, has made the out-look far hleaker, though it may not have made much difference to the actual arithmetic of the

Budget. The fall in sterling has mada the inflationary risks appear more acute, with the Treasury's forecast probably pointing to a 54 per cent rather than a 44 per cent rise by the end of the year. This makes a switch to VAT even more unattractive,

More importantly, Mr Lawson's first priority has shifted to the need to restore financial confidence to prevent further pressure on sterling without excessive interest rates Unfortunately it is very hard for him to judge which way the markets would jump in the event of a "bold" Bndget on March 19. Would a tightening of fiscal policy be interpreted on the foreign exchanges as a class that interpret many set. sign that interest rates were set to fall, and therefore as a reason to sell sterling, or would it inspire confidence in the

In an atmosphere of high volatility Mr Lawson may well think the best plan is to sit tight, with perhaps a slight squeeze of his nublic borrowing target from £7bn to £6bn, and a total "give-away" of £1bn to

He can always hope to do more next year (1986-87) when the Treasury's Financial With limited cash available the Treasury's there was an overwhelming the Treasury's argument for raising personal Strategy projects a £4.5bn tax cut. But next year is always to be better.



# Two of America's most valuable exports.

Business Week International is a commodity that business people all over the world value. No other magazine covers important business events and developments in America and throughout the world with more thoroughness and ac-curacy. And Business Week International does it every week.

But Business Week International does much more than report the news. It interprets and even anticipates. So you not only know what's happening in business throughout the world, but why. And. more important, you learn what may hap-Den next.

Announcing the new International Report.

Business Week International recently expanded its world news coverage with the new International Report. Every week you'll get the U.S. perspective on important international developments. Plus profiles on key international corporations. And an inside look at U.S. politics and its effects on the international market.

You'll discover valuable information in every issue of Business Week International. And best of all, it's the one export that can be air delivered directly to your home or office every week. Just fill out and send in the coupon below. Free Scoreboard Special.

Subscribe now. And get the Scoreboard Special, free.

1985 Scoreboard Special with performance data on 1,200 of the largest U.S. corporations and 930 private and stateowned companies in 57 countries. It's free with your paid subscription to Business Week International.

Mala: BusnessWeek

P.O. Box 676, Highstown, NJ 08520, USA

he discount a savings of abscription	I me Business Week International : ed rate for my country (see below) of 30% off the basic subscription ra at any time and receive a refund or Special is mine to keep with your o	and bill me later. The rate shown te. I understand I may cancel my a all unmailed copies. In any case, ti	000
bene (please p	ist) Mr. Ms.	Position	
roduct r Service	Сотрату	☐ Manufacturer This is ☐ my ☐ Non-Manufacturer ☐ off	home ice address
Comment of the con-	Aretrie (Sch778); Belgism (SF-2240) Demont (DK-299), Eire (HC39 Flatant (FMK-271; France (FF-174) Germany (DM-181; July (L-180-50)	Street Address	
	Germany (Didtil): Judy (Leibist) Lauranium; (Livi2-0); Netherlands (Fl [25) Norway (Michil); Peringal (Each-10) Spain (Panddall); Swaden (Sit/34)	Post Code City	
	Spent (Pengent; Swarts (SA;At) Switzerland (SE;Bit; UK (£29) Other Suropass (USSSI) Other International (USSSI)	Country	

# FINANCIALTIMES

Tuesday February 12 1985



Peter Bruce in Bonn looks at the turbulent family behind a successful aircraft maker

# Dornier ejects its pilot without warning

NEXT TO the Dorniers of Frie-successful trainer aircraft since the principle, to do so, he was killed, the Dallas Ewings seem positively angelic. Herr Manfred Fischer discovered that early on Sunday moroiog when he was dismissed, without notice, as chief executive of Dornier GmbH, the family-owned aerospace

Herr Fischer is not a newcomer to the fickleness of family ownership in German business. He left a post as chief executive of Bertelsmann, one of the world's largest media concerns, at the end of 1982 after a row with the controlling family. But that it took a mere five months for the Dorniers to hire him, grow weary of him and fire him must nevertheless have come

On the face of it Dornier is a quiet, successful company founded more than 50 years ago by Claude Dornier, who learnt the flying busi-ness designing airsbins for Graf Zeppelin, It made profits of some DM 26m in 1933 on a turnover of DM 1.26bn (\$384m) and expects even better for 1984. The company

second world war, the Alpha Jet, and was a pioneer in short take-off and landing (Stol) aircraft.

Claude Dornier died in 1969 leaving six sons and a widow, Anna. The sons, be bad decreed, would run the business and take equal shares, while the biggest lot, 27.8 per cent, went to Anna although the was unable to vote them. He failed, however, to leave behind any hint of who should actually be in charge, an omission that Herr

Fischer is now probably regretting. The six sons, Claudius, now 70, Peter, 67, Silvius, 57, Justus, 47, Christoph 45, and Donatus, who died in a motor accident in 1971, im-Claudius and Peter were born of a first marriage: the others were Anna's. The early battle for control

split broadly along those lines.

Donatus tried to reconcile them all by suggesting that none of the

with his share going to his widow,

Ellen. Claudius, pulling rank as the eldest son, then combined with Silvius to oust Justus from the main board. Why Silvius sided with his half-brother against Justus - he still does - probably has more to do with his formative years than with business strategy.

Peter then upset the applecart hy selling some of his holding company shares to buy himself more influence in the family textile ma-chinery husiness, which be was running. That gave Justus the break he needed. With Ellen and Christoph be now controls 38.4 per cent of the stock. Claudius and Silmediately showed signs of restive-ness. Part of the problem was that vius each own 12.8 per cent, which, with Peter's share, reduced to 8 per cent, gives them only 33.8 per cent. Claudius was swiftly removed, in

1981, as chief executive, taken off the supervisory board and even off the shareholders committee. He left brothers had anything to do with management of Dornier and that leaving his ageing stepmother, Anthey engage professionals. Two na, somehow to hold the other to-days after they had agreed, in gether.

Anna died in the last week of August 1984, just days before Herr Fischer was due to come in as chief executive. His own appointment had not been smooth, with opposition coming from workers' representatives on the supervisory board. Nevertheless, he was Jus-

Justus, however, appears not to bave reckoned with Herr Fischer's rapidly developing a few independent ideas of his own about the business. Given the secretive nature of the place - and old Claude Dornier's autobiography was never published, but simply circulated among the family - those ideas bave not yet emerged. But by the end of the year Justus had apparently bad enough. He told the chairman of the supervisory board, Dr Hans-Otto Thierbach, that Herr Fischer would have to go.

tus's man and looked secure.

Dr Thierbach, a Deutsche Bank employee, presided over the supervisory board meeting that dismissed Herr Fischer and the Dornier sales director at the weekend. But be bad not, it is claimed, told his deputy, a union representative, what

The workers' side walked out of the meeting in protest and it is possible without the full board's being present, will be challenged in the courts.

Dr Thierbach is bimself likely to be the target of a putsch by the mi nority shareholders at a full share-holders' meeting called by Silvius for Thursday. Claudius, Peter and Silvius are likely to try to replace him with Prof Hans Thümmel, An-na's lawyer. She died intestate, and he has control over her 27.8 per cent until a sbareout can be resolved.

Prof Thummel's allegiances are vague at the moment but he is thought to disagree with Justus over moving Dornier's successful medical equipment operation out of Baden-Wurttemberg to Bavaria.

Sharing out Anna Dornier's stake is also bound to be complicated by Claudius's wish to sell his 12.8 per cent to finance his own new busi-ness. None of the family want to buy and the prospect of an outsid-er's entering the husiness cannot be

# Arafat and Hussein 'agree on peace bid'

KING HUSSEIN of Jordan and Mr Yassir Arafat, the Palestinian leader, yesterday agreed the framework of a joint hid for a just, peaceful set-tlement of the Palestinian issue, the official Jordanian newsagency Pet-

The King and Mr Arafat, chairman of the Palestine Liberation Organisation (PLO), reached agreement at a working lunch, Petra

It gave no details beyond saying they discussed the "reality of the Palestine issue in the occupied territory and in the international are-

Last November, King Hussein proposed a joint Jordanian-Palestinian peace effort based on a United Nations Security Council resolution condemning the acquisition of land

Earlier yesterday, King Fahd of Saudi Arahla began a state visit to the U.S. by telling President Ronald Reagan that the Palestinian problem was the root cause of instability and turmoil in the Middle East.

At a White House welcoming cer-emony he told the President: "I hope that your Administration will support the just cause of the Pales-tinian poeple."

King Fahd, making his first offi-

cial visit to Washington since he be-came King in 1982, had been expected to appeal to the President to take a more active role in the search for peace in the Middle East.
U.S. officials have made clear, bowever, that they do not believe the time is ripe for a new high-visibility effort, given the absence of an Arah partner with

which Israel can negotiate. The King said the Palestinian people "bave committed no wrong that could justify what has befallen them. The Palestinians, who were never aggressors or invaders, found themselves, through no fault of their own, the victims of unjust ag-

gression.

The Palestinian question is the single problem that is of paramount concern to the whole Arab nation, and affects the relations of its peoples and countries with the outside

President Reagan, in his welcom ing remarks, said the legitimate rights of the Palestinians "can and should be addressed in direct nego tiations" - a reference to U.S. hopes that King Hussein will enter talks with Israel. Reuter Israeli jets strike, Page 6

# **EEC** doubts

Continued from Page 1 late afternoon, as it sank below some ground against the D-Mark. The Sterling index fell from 71.8 (1975 = 100) on Friday to 71.1, with the rate against the D-Mark closing in London at DM 3.593.

Dealers said there was no espe-

ficials seemed to feel that be should enjoy a taste of the limelight as host of this meeting.

Little of substance appears to have transpired in any case. The have transpired in any case. The little and large appears to have transpired in any case. The have transpired in any case. The ly be ignored.

Cluded, but it was conceded that the proper cent.

The unsettled mood was also felt in the gilt-edged market, where prices of government stocks were marked down hy as much as 1%

around 14 per cent for some time.

#### THE LEX COLUMN

# Not so fast food from Dalgety

If the Government has indeed been authorising phone-taps in the foreign exchange markets, it will have nothing much to show for its efforts except a large telephone bill. Yesterday the markets ignored any bleeps on the line and sent the pound smartly through the \$1.10 level, triggering heavy gilt-edged sales as it went.

#### Dalgety

The spectacular rating at which Hillsdown Holdings begins its public life on Thursday is a source of palpahle grief to Dalgety. Having performed dogged feats in transfer-ring its husiness from one hemisphere to the other, it might just as well bave concentrated on supplying farmers in Wagga Wagga for all the London financial institutions care: the share price has badly underperformed the market in the past 12 months and the company is still rated below the food manufacturing sector on prospective earn-

ings. Yesterday's six-month results to December certainly did not justify a second thought, with the interim dividend unchanged and pre-tax profits up a modest 6 per cent to £33.2m, including a million or two in net translation gains. There are prospects of second-half improvement in the animal feed business and in Canadian lumber, but it is difficult to get excited about a fullyear performance of £72m or so.

Perversely, the splendid performance of Martin-Brower in the U.S. the assets per share of those who has merely underlined the stolidity stay in. Although it is encouraging of the rest of the group despite the better quality of earnings with the the GEC precedent, many are still retreat from the Antipodes. As a conspicuous by their absence, BP, prices, and the miners' strike supplier and distributor for McDonald's, Martin-Brower Improved volumes by 23 per cent in the sixmonths and can continue in this
vein so long as Americans go on
gohhling fast-food. Having showed

touspicuous ty wenders for
example, might do wonders for
its share price by buying shares
from the Government. At last
that today's woman is more connight's price of 558p, BP equity
vein so long as Americans go on
gohhling fast-food. Having showed
trades at not much above half its
only are shops expected to stock the
net asset value, while the £500m or
light goods at the right price – new it can run food-service industries in so it would cost to huy a 5 per cent the U.S., Dalgety is being asked to stake from the Government is easrepeat the show.

end of this calendar year, Dalgety strictive rule-book. There seems will be showing net debt to equity of little point in limiting a company's under 50 per cent. Given Dalgety's open market purchases to 5 per cash-generating business this cent of its equity over a 12-month should leave room for a U.S. acquired so long as the buyer stands sition. The experience of the Spillin the market and takes shares ers' takeover probably rules out a from all and sundry. The alterna-big paper takeover in the UK even tive, a tender offer, can have all if the rating, at under nine times kinds of awkward drawbacks - as prospective earnings, could support British Land has discovered to its

#### Share buy-ins

The idea of buying in equity is at last being treated with the respect it deserves in the UK. Yesterday Nottingham Manufacturing added its name to the list of companies seeking shareholders' approval for the practice, while Charterbouse J. Rothschild celebrated its imminent change of name with the announcement that it had bought 3.75m of its own shares at 108p apiece.

These companies are natural

candidates. More than half Nottingbam's market capitalisation is represented hy liquid assets, leav-ing the rest to trade on a rather humble multiple of garment manufacturing earnings. For CJR, which bas issued an abundance of equity in the recent past, offering to buy some of it back is just plain courtesy. The 3.75m shares were bought in at 108p each, which represents a discount of around 15 per cent to a conservatively stated net asset val-

So CJR has provided an easy way out of the market while enhancing to see other companies following By within the company's scope.

tive, a tender offer, can have all cost. Equally, it is unduly punctilious to insist that a company makes no purchases in the two months leading up to its results. Apart from anything else, the company can make a mockery of the rules simply by delaying the results.

WONC!

ylan Hars.

#### Nottingham Mfg.

In last year's fierce UK retail stores' battle for women's fashion spending, not even the manufacturers emerged unscathed. Big retailers such as Marks & Spencer have ensured that at least part of the fallout has landed on their suppliers. When, like Nottingham Manufacturing, the suppliers rely on M & S for half their business, they can do little more than cover their heads. Nottingham's pre-tax profits for

984 were down £3m to £21m, well below the most cautious of analysts' forecasts and disappointing enough to send the share price scooting down 31p to 215p yesterday. The culprits were margins, down a full 2 percentage points to 5.6 per cent, Both M & S and the company apparently made mistakes on colours and designs in women's knitwear, resulting in costly writedowns. Then the warm autumn scuppered sales, the stores demanded lower proved the final straw.

products must be turned over fast, too. The lumbering Nottingham will need quicker reactions and trendier With the move to minority status

The greatest impediment to the goods just to maintain its market in Australia, probably before the buy-in is an unnecessarily reshare.

# Komatsu close to securing

U.S. plant

By Terry Dodsworth

KOMATSU, the Japanese earthmoving equipment company, is aiming to acquire a site for a U.S. manufacturing plaot at Chattanooga in Tennessee within the next few

The Japanese group, main competitor for Caterpillar of the U.S. in interoational markets, disclosed yesterday that it was "in the final stages" of negotiating the purchase of a manufacturing facility, which would be converted to a Komatsu plant. It said that its final decision would he subject to the conclusion of institutional financing for

the operation. Komatsu is known to have been looking for a manufacturing site in the U.S. for the past year or so, mainly concentrating its research on states in the southern "Sunbelt." Many U.S. engineering companies have migrated to the Sunbelt in recent years and have been followed by foreign corporations attracted by the minimal level of unionisation and sizeable labour pool.

Mr Eli Lustgarten, an analyst at Paine Wehber, the New York securities house, said yesterday that Komatsu's move was expected, since the company had less of a presence in the U.S. than elsewhere in the world. "If you want a major pres-ence in a market, you bave to manufacture there," he said. Komatsu is believed to have

about 8 per cent of the U.S. earthmoving equipment market, al-though its penetration varies depending on the specific equipment involved. It has recently been faced by an aggressive counter-move hy Caterpillar, the dominant market leader, which has bit back at imports and its domestic competition through a policy of beavy price-cut-

ting. Caterpillar Tractor has joined 18 other companies in a complaint to the European Commission about the marketing practices and alleged dumping by some of their Japanese

The company said that it bad selected Tennessee for the manufacturing site because it liked the political climate, the Tennessee work ethic and the central location "relative to markets for our products."

It would not say yesteroay what products it would make in the U.S. or what sort of volumes it anticipated at the Chatanooga plant. But analysts expect a fairly ambitious enterprise because Chatanooga is one of the leading industrial cities in the region and the company has se-lected a sizeable site used formerly for beavy industrial plant.

its second large Japanese plant fol-lowing the Nissan facility at Smyr-

# Wörner says U.S. must give full access to 'star wars' technology

BY RUPERT CORNWELL IN BONN

EUROPE should only accept the in- up its mind. vitation to take part in the U.S. strategic defence initiative (SDI) if t had full access to the technology involved, Herr Manired Worner, the West German Defence Minister. indicated yesterday.

At the high-level "Wehrkunde"

defence conference in Munich at the weekend, Chancellor Helmut Kohl had signalled - with some caution - Bonn's readiness to participate. But worries had already surfaced there that Washington might not be prepared to open up research

to European industry. Herr Wörner has now brought the misgivings further into the open. "When you co-operate, there should be no secrets between partners," he said, pointing out that Herr Kohl himself had stressed the need for greater detail on the research involved hefore Bonn made

long drawn sharply differing reac-tions in Bonn. Fears that to go ahead would not only be a new step in the arms race hut pull spending from conventional defence, have been matched by concern that for Europe to turn its back on the clear that they will only accept a scheme - at least in its initial re- package solution in Geneva. This search stage - could drive a new lies and let slip a big opportunity of advancing its own space technolo-

yesterday after inspecting a newlyventional strength of the U.S. One powerful factor arguing for adviser.

op its mind.

German caubon is the fear that the SDI could diminish prospects of ong drawn sharply differing reaccoming superpower arms control weapons in Europe, about which Bonn is especially sensitive.

implies accommodation of their wedge between the U.S. and its al- hostility to SDI in return for the capons such as the SS-20, cruise

Speaking alongside Herr Worner and Pershing II. Medium-range missiles had to installed Patriot air defence missile unit, Mr Caspar Weinberger, the U.S. Defence Secretary, promised that work on the SDI could be fi-

nanced without any cut in the con- with Mr Paul Nitze, President Ronald Reagan's special arms control

# Andreotti to press EEC for meeting to combat terrorism

BY JAMES BUXTON IN ROME

ITALY will try today to persuade its EEC partners to agree to a meeting of bome affairs ministers in the next few weeks which would dis-cuss measures to comhat the new wave of terrorism in Europe, Sig Giulio Andreotti, Italy's Foreign Minister, is to make the pro-

posal at an EEC political co-opera-tion meeting in Rome of foreign ministers or their deputies. He will also suggest that EEC countries agree to further cooperation between services and police forces to exchange information

about terrorism. At a similar meeting in Dublin in the autumn, the EEC countries agreed to work closely together to combat terrorism and adopted poli-

Italy is especially concerned about the terrorist offensive, partly because it fears that there could he an outbreak in Italy, where the Red dispute with France, which Rome says is giving asylum to more than 120 Italians wanted for terrorist offences in Italy.

land Dumas.

Brigades are said to he recovering der crossing by both people and strength, and partly because of a goods.

Sig Andreotti wili almost certainly hold separate talks tomorrow needed more study by either miniswith his French counterpart, M Ro-

Reuter reports from Brussels: Western Europe's current outbreak and also failed to set a timetable of terrorism casts doubt on previously widely popular moves to end

cy decisions which were not dis- border checks in the EEC, diplo-

mats said yesterday.

They reported this after ministers in charge, of the EECs internal market discussed European Commission proposals for quicker bor-

While all member states welcomed the initiative in principle, the diplomats said, Denmark, the Netherlands and Britain raised the security issue, saying the proposals

ters or high officials. The ministers disagreed bowever, over which group should do it EEC moves to align industrial standards, Page 3

# Jury clears civil servant

Continued from Page 1

of Defence conducted themselves was against the national interest." The Ministry of Defence said later that Mr Ponting, who has been suspended on half pay since being charged last year, would now be restored to full pay pending a deci-

Margaret van Hattem, Political Correspondent, writes: The Government promised to make a statement on the Ponting affair today in the House of Commons, where it came under strong attack yester-

It had still not been decided last

Announcement of the jury's verdict provoked a wave of criticism at law. Westminster yesterday, including statements from all opposition party leaders, and demand for an emergency debate from Mr John Morris, Labour's legal affairs spokesman. Despite the Government's promise of a statement. Mr Morris has announced his intention to press for an emergency debate

Commenting on the outcome of the trial, Mr Neil Kinnock, the La-bour leader, called for the immedi-

Mrs Margaret Thatcher, the Prime the Offical Secrets Act, under which Minister – would make the state-the charges were laid. Downing Street however, was yesterday ruling out early action to change the

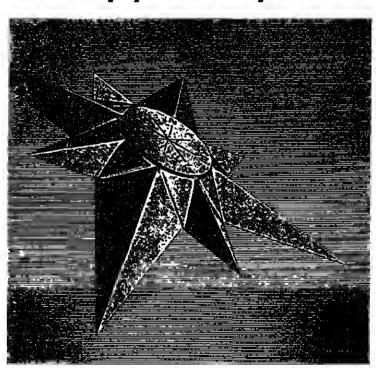
> lation over the future prospects of Mr John Stanley, whom few MPs consider likely to survive the

ate repeal of section 2 of the Act. He Initial incredulity at the jury's said that both Mr Heseltine and Mr night which of the ministers under ottack — including Attorney of General Sir Michael Havers, Mr General Sir Michael Havers, Mr Heseltine, Mr Stanley and even the Commons for their attempts to mands for a reform of section 2 of their efforts to jail Mr Ponting.

### as \$ hits records

Yesterday there was little pres-

### Only someone on the right course can help you with yours.



A universal bank has the right instruments to determine your exact position and help plot the best course to your goal. The coordinates of our branch system dot the globe.

Among our comprehensive services are time and notice deposits in all major currencies, short, medium and long-term loans (overdrafts, straight and roll-over loans, acceptance credits in £-stg, US \$, DM and other Eurocurrencies with special emphasis on trade finance and forfaiting), placement and

trading in foreign securities such as Eurobonds, convertibles etc., foreign exchange, and international portfolio management.

Whenever and wherever you

encounter problems with com-

plicated international financing,

contact the Deutsche Bank. We'll put your business on a proper course. Deutsche Bank AG London Branch 6 Bishopsgate, P.O. Box 441 London EC2P 2 AT

Tel.: 2834600

Deutsche Bank A century of universal banking

Published by The Funancial Times (Europe) Ltd., Frankfurt Branch, represented by E. Hugo, Frankfurt/Main, and, as members of the Board of Directors, F. Barlow, R.A.F. McClean, G.T.S. Damer, M.C. Gorman, D.E.P. Palmer, London, Printer: Frankfurter Societists Druckerei GmbH, Frankfurt/Main, Responsible editor: C.E.P. Smith, Frankfurt/Main, © The Financial Times Ltd., 1985.

World Weather

### New Gatt talks nearer Continued from Page 1

Relations, and Mr James Kelleher,

U.S. and Japan apparently made no ly be ignored.

marked down hy as a decisions on their car trade diffiThe less developed countries point at the short end. decisions on their car trade diffi-culties, while Mr de Clercq and Mr have made known their reserva-Mureta did not even raise their tions about a new round, which sure for nigher interest rates, but a pending issue of a new ceiling on they fear will be limited to those general consensus that bank base sales of Japanese video cassette items of most interest to the indusrecorders to Europe.

Relations, and Mr James Kelleher. Even on the Gatt preparatory the Canadian International Trade committee, the ministers do not ap-Minister — made no public compents in Kyoto. Mr Murata is new to his post, as are Mr de Clercq and Mr Murata sugested that trade in services and Mr Murata suges

POTENTIAL LIQUIDS

PRODUCTION

### THE SECOND PHASE

The years 1974-84, the first decade of British oil, have hardly produced the rewards expected of a golden age. So what is the outlook for the North Sea industry and the economy during the next decade as production passes its peak?

# Second chance to get it right

#### By lan Hargreaves

WE ARE almost at the mountain top. What will life be like on the other side?

Merely to pose this question ebout North Sea oil tends to induce a shudder at the thought that Britain's career as e major oil power is, probably, land Islands, but few oil men

There is a deep, underlying national feeling that we have had our oil bonanza and it was a flop like buying a world cruise and then simply not enjoying it, or winning the structure with lots of or pools and waking up a de- a recovery factor of zer pressed alcoholic. The years Mr Everett, The oil is to 1974-84, the first decade of to be able to move it. British oil, have hardly felt like In spite of this, then

slightly more flat-topped in re-cent versions, like the one illustrated, than was the case the oil supply industry, there is even a couple of years ago. But no doubt that the hunt for it does seem, on the best advice mainly smaller oil and gas evailable, that the peak will fields and the business of exarrive this year or at the latest tracting the maximum amount next and that thereafter it will

ploration and production business. In the last nine years, over 40 per cent of Britain's oil has come from these two

The ninth round of licensing, now nearing completion, will encourage companies to search in the deeper, less explored waters to the west of the Shet-

#### Huge structure

The Clair field has already been found there—a huge structure with lots of oil " and a recovery factor of zero." Mr Everett. The oil is too thick

a golden age.

Of course, it is still not second place of North Sea oil possible to sketch with certainty the mountain's contours. It is slightly more flat-topped in From the point of view of

of oil from meture fields by

pretty low," says Mr Peter More holes were drilled on Everett, the head of Shell's ex- the UK Continental Shelf last year than in any year since 1964, when the search for off-shore oil and gas began, and the success ratio—about one find for four exploration wells tinued to be very high by

world standards.

The fact that the finds are smaller is a matter of regret for the oil companies, but for suppliers it is e bonus. More equipment is needed and, be-cause small fields are less profitable, the requirement is not for the radical, roexpensespared engineering solutions of the first decade of oil production but for well made, on time, on budget equipment which is efficient in engineering terms.

For UK suppliers, there is the additional encouragement that this time round they are shadowed by companies from the U.S. Although there are areas of activity—drilling, plpe-laying and heavy lift—where weak, there have been signs that with the sometimes not

poor labour relations practice derived from its parentage in

the shipbuilding and large-scale construction sectors. There is still, however, a long way to to before UK industry can count its response to the North

The Government, for

part, is also beating loudly the

export drum: trying to foster

the high technology and of the UK supplies industry and create

in world markets on the shadow side of the North Sea oil

There is no doubt that the North Sea market itself is and

will remain substantial. It is a £3bn a year industry and,

base for an industry durable

Sea challenge a success.

The outlook

suppliers, but there has been a doction platforms. healthy air of reorganisation and jostle in the industry in the last 12 months, especially in the platform yard and module building sector, which is perhaps at last shuffling off the combined cultural malaise of the combined cultural malaise of the UK has only 31 fields. These investments, UKOOA maintain UK self-sufficiency in

oil to the year 2000.

For the oil companies themselves, these patterns imply a significant adjustment not only in engineering and logistics but in economics. Although North Sea profits have been protected against falling dollar oil prices by the weakness in sterling, companies which report their profits in dollars have been adversely affected. adversely affected.

It is more likely that the background to the next 15 years of the North Sea will be one of erratically falling oil prices than the contrary, which charac-terised the first decade.

In combination with the higher costs of smaller fields and exploring in deeper water, this means that North Sea pro-jects are likely to become less economically attractive.

A recent analysis by stock-brokers Wood Mackenzle estimated the effect of various levels of dollar oil price on the real rate of return of North Sea

Currently, as 1.8 per cent for the Beatrice fields. field, which was one of eight to UKOOA fields with a rate of return

helow 10 per cent.
In a study, late in 1983, before last year's fall in prices, the Institute of Fiscal Studies put the average net rate of return on UK offshore fields at 21.9 cent. For the large Forties field, the net figure was 40.6 per cent, or 58.7 per cent in gross

companies are adjusting to lower expectations and it is interesting that in spite of fall-ing prices, the recent ninth round cash auction raised cash auction raised record sums,

especially the big ones, still have very large positive cash flows and their experience in the past decade in spending this money outside the oil and gas industry has not been happy. They have little alternative

but to go on investing in the future of their own industry, although the counter-argument, otherwise known as the T. Boone Pickens phenomenon, that they should discovest and

heavy capital spending in the North Sea. Certainly there is no likelihood, as is sometimes supposed, of North Sea fields being forced to shut down because of falling oil prices.

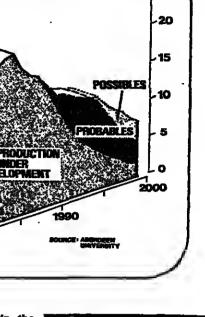
**NORTH SEA** OIL REVENUE

#### A windfall

From the Government's point from the Government's point of view, bowever, the downward side of the North See slope appears on the surface to involve nothing but pain. The North Sea accounts for over 5 per cent of GNP and is expected to generate around £12bn in tax revenues in the next year—a windfall increased by the drop in sterling.

The decline in tax revenues is bound to be steeper than the decline in oil production itself, as the charts show. This is cause the rate of taxation on fields developed after 1983 is considerably lower than it was earlier. A further cut in taxation is possible in the next Budget, in response to the industry's case for an incre-mental investment allowance for mature fields.

But what the charts do not show is the tax proceeds of gas production, which is expected





The recovery factor After the new licensing Exploration Financial outlook

Opportunities for suppliers The corporate scene
Profile: Peter Everett, managing director of Shell Exploration and

Profile: George Band, Director-General of the Offshore Operators' Association

Drilling markets Profile: Alick Buchanan



course

ingham M

plus

Overall project management

Ian Hargreaves charts changes in the Government's attitude towards developments in the North Sea

# The ever-changing jigsaw

#### **Taxation**

THOSE RESPONSIBLE for designing Britain's oil taration regime are fairly pleased with themselves these days. The concessions to the industry made, after long resistance, in the 1983 Budget have had precisely the desired effect of stimulating a drilling and deviatement homest

The waiving of royalties on new fields, tax breaks for ex-ploration and higger offsets gainst petroleum revenne tax

any, PRT; the owners will simply pay corporation tax. In the March 1984 Budget, however, the Chancellor's words were not so sweet. He refused to extend the 1983 tax reliefs to the southern basin of the North Sea, where it is felt that the incentive of British Gas's higher prices is sufficient to propose extinity. The rate of promote ectivity. The rate of drilling and development bears out this argument.

The Chancellor also announced changes in corporation tax; spreading out and phasing down capital allowances which has a negetive effect upon the economics of oil field investment, where heavy costs come before cash is generated.

Offshore: Snamprogett is there.

review the case for a special capital allowance for the oil industry, designed to provide 2 tax shelter for investment in in-

cremental oil production.
The industry's argument, set out recently in a paper from the UK Offishore Operators' Association, (UKOOA) is that an additional 1bn barrels of oil ould be extracted from the UK shelf (an 8 per cent gain) if oil companies were able to set against tax part of the capital cost of the equipment used to extract additional oil.

#### Many techniques

Under normal circumstances in the North Sea, it is possible to produce between 20 and 30 It was partly to compensate per cent of a field's reserves befor this that the Chancellor lore reservoir pressure declines

One of the accidents of the post-1983 system is that, harring unexpectedly large fields, the tax system will in future be based more upon profits than revenues — a theoretical argu-ment which has rambled through the decade. But the chances today of any Government attempting to unscremble the North Sea dar igner in order to create a wholly profitbased resources rept tax are

UKOOA's proposal, designed a restore the rate of return on an incremental project to the same level as on a new field development, attracts two obvious criticisms: the difficulty of distinguishing incremental investment for the purpose of the allowance from routine additional spending on a mature field and the fact that the Gov-ernment, if it agreed, would be offering tax concessions on fields which have already earned their owners fabrilous profits.

UKOOA's answer to the first

point is that incremental apend-ing would be defined as any sum spent on facilities, equipment or materials to inject into reservoirs "after PRT payback" or any development drilling cost incurred "after expiry of

investment allowance of either 25 per cent, if the allowance is taken immediately, or 50 per cent if spread over 10 years. It says that although the 1983 Budget has reduced the effective rate of tax on new fields to between 35 and 50 per cent, the level of tax on mature fields which have exhausted their capital allowances continues at the marginal rate of 85.8 per

These cut-off points refer to the take-up of existing capital allowances egainst PRT and vary from field to field since the system has been frequents the system has been frequent modified in the past 10 years.

UROCA's main argument is that the allowance will produce extre oil and therefore, in the long run, revenue the Govern-ment would otherwise not re-ceive. Backing for the principle of incremental investment tax concessions has also come from Professor Alexander Kemp of

#### A warning

Prof Kemp, a specialist in oil taxation, argues that either an investment allowance or a free-dom from royalty are the best mechanisms for stimulating in-cremental Investment without unnecessary generosity on the part of the Inland Revenue. But he also warned, in a recent paper, that the relationship be-tween tax concessions and any

UKOOA itself is somewhat hazy on the likely speed at which an incremental invest-ment allowance would start to three to four years after the rate,

George Band, director of the

North Sea Oil Revenue & Tax Payments

erts is that the oil tax regime as entered a period of stability. There is not much more that the Government can do to encourage additional develop-ment," says Mr Roger Hope, of eccommunity Price Wetern

remain acturate depends very much upon the price of oil. Prof Kemp's models of tax revenue from the North Sea (excloding gas-only fields) demonstrate a number of interesting points, the first of which can be seen from the chart that gax revenues decline more sharply than green more sharply than gross revenues from the North Sen in the second half of the 1990s. the decline in the tax take is

Whether thet perception will

briefly reversed.
The ussumptions in this sterling at \$1.50 and a requirement by the oil companies for a 10 per cent net rate of return

runs his projections with an make an impact on all production. assumption of a \$28 off price tion, "It would probably start and a lower sterling exchange

that tax revenues are boosted greatly. He also concludes that because many North Sec investors account to their shareholders in dollars, there is a significant deterrent effect on fold development effect on

field development, even at what some would see as a relative optimistic level of oil price. According to stockbrokers Jemes Capel, 42.5 per cent of UK oil reserves are controlled by U.S. Interests.

siderably in real terms in the 1990s if the large number of new fields becoming available are going to be developed.
Although most new fields et tint
time will only be subject to corporation tax, it is likely that ing field developments."

unless either the oil price rises strongly, which many doubt, or the Government taxes oil companies more lightly than other

provides a base of knowledge for the Government in policing

# **Techniques** to lift recovery factor

OF THE 3,500hn barrels of oil known to exist in defined reservoirs throughout the world, only 7000hn ourrels or 20 percent is likely to be recovered by conventional methods.

Frustration with this fact has spurred the oil industry into exploring e wide range of technologies to improve the

exploring a water range or term-nologies to improve the recovery factor. The North Sea, in its second phase a mature province, is likely to be a testng ground for the use of some

oil is raised to the surface in a conventional operation by the natural forces of gas, water and heat driving ou through porous rock up a well-shaft— the so-called "natural drive" process. But as a field is ex-ploited, these natural pressures must be applied.

The most common techniques

for raising reservoir pr are to inject gas or water into a reservoir, but there are other creasing the amount of oil extracted from a reservoir simply by drilling more pro-duction wells, for example, or installing an additional fixed platform

It is also possible to use underwater or satellite production facilities connected by pipes or hoses to the main plat-form to tap difficult pockets

All these techniques are known as secondary methods of production. They do not involve new technology and they are the types of investment UKODA envisages being stimulated by the incremental invest-

According to Wood Macken zie, an additional platform in the Forties Field might cost 2600m to recover an additional 50m barrels of oil. Under existing tax rules, such a project would offer BP and its partners a real rate of retirm of only 5.8 per cent. With the benefit of a 20 per

cent incremental investment tax allowance taken immediately the return would be 14.2 per cent. With an allowance of 35 per cent spread over seven years, the return would be 14.3

Beyond these secondary techniques lies a further range of tettiary recovery methods. sometimes known as enhanced to Shell, there are around 550 such projects underway in the world, most of them in the U.S., where the tax climate favourable.

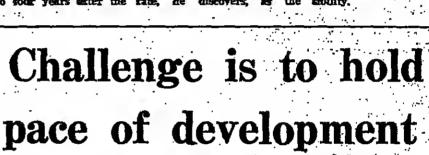
#### Wide range

The range of technology is ery wide and included • Flooding a reservoir with solution of water and chemicals (usually polymers). This helps to drive additionat oil through the rock pores. Application in the North Sea could be limited because of high temperatures and high salt content of reservoirs.

involve injecting into the reservoirs substances (chemicals or gases) which mix with the oil and change its composition, enabling it to be deliven more easily to the production

Some government ministers is heated up to make it less have again started to question viscous, normally by injecting the need for BNOC, since the steam into the reservoir oil companies are willing and Attempts have elso been made.

to succept the oil dispensing around the reservoir and subsequent loss of pressure.



28 **IFMAMJJASOND** 

BRENT OIL SPOT PRICE

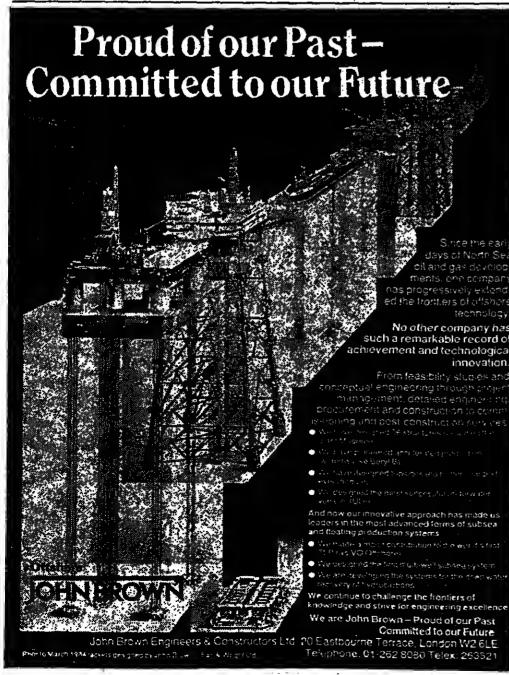
Snamprogetti can contribute with experience, technology and resources. The Offshore Division of Snamprogetti is specialised in engineering and management of offshore platforms and topside facili-

cillary facilities, irrespective of size or complexity. Snamprogetti: engineering and technology, unlimited.

ties, submarine pipelines, marine terminals and an-

Wherever offshore projects are concerned

Find out more by contacting David J. Coates, Marketing Director, at Stanhope House, 47 Park Lane, London, W. I. tel. 01-49.97.177.



CONTINUED FROM PAGE 1 to decline much more slowly than oil production in the next 15 years, if it declines at all. This is a result of fiscal reliefs in the 1983 Budget and the

higher prices now available from British Gas. Much of the drilling boom last year was in the gas pro-vinces of the North Sea. The Government'e restrictive line on gas imports is also partly simed et helping to fill the oil revenue gap with gas revenues.

Whether this amounts to a wise, longer run energy strategy is open to question, but it cortainly represents a means of maximising the tax revenue and oil and gas industry employ-ment benefits of phase two of the North Sea.

The problem with any such necrowly defined statement of the benefits and disadvantages of a given fiscal policy for oil and gas is the lack of attention to wider issues. A policy which maximises oil and gas production may increase the number of jobs in the North Sea support industries, but by helping to raise the value of sterling it will have the opposite effect in the rest of the tradable sector

which has preoccupied economic analysis of the effect of North Sea oil on Britain. Some economists have come close to concluding that by overvaloing stending. North Sea oil has been responsible for a disastrous and perhaps arever-British es the country's exports

have been shut in by an over-valued currency.

Although the oil and de-industrialisation thesis is, in its simplest form, greatly over-stated—it tends to neglect the, many other factors, both cyclical and secular, which have contributed to Britain's manu-facturing decline—it contains facturing decline—it contains

some truth.

The speed at which Brissler moved from being a major oil importer first at low and then at "oil chock" prices to being a significant exporter offered imadequate adjustment time for a artistic account.

on extinctic economy.

One of the more cheering aspects of the road ahead is that the decline in both output. and revenues should not be as steep as the climb. Theoreti-cally, at least, conditions are good for the British economy to fill the balance of payments sap left by oil. If the theory is not turned into practice, the British people will be poorer by the year 2000 and quite pos-sibly much poorer ten years by restricting the number of later: the impostants of a companies which could appear worked out gold rush town.

The most fascinating area YOU ONLY have to list the people who have held the office of policy, however, surrounds of Energy Secretary since Britain found its first cliffeld in 1870 to be reminded of the polarities which have trigged at British energy policy, Mr Tony Benn and Mr Eric Varley from the role of the British National transfer pricing arrangements Oil Corporation, established in and tax collection within multi-1976 to be the Government's national bil companies. eyes and ears in the oll industry a state oil company in its own right and the trader Labour, Mr Nigel Lawson and of the bulk of North Sea oil

Conscreatives But for all the struggles over taxation policy and the role of the national oil company, there is an underlying homogeneity about government policy for the North Sea. The reason is that all governments have wanted to maximise output and revence, so in the end the interventionist streak has been tempered by the need to let the oil companies get on with

The Thatcher Government spent its first three years adding to taxation (there were nine separate changes) and has spent the last two years running in the opposite direction.

Apart from taxation, the Government has four main policy levers in the North Sea: the licensing system; the administration of field development; pricing and the promotion of the interests of UK suppliers to the off and gas industry. How has the Government responded to the changing

conditions of the North Sea; to the prospect of falling production and the reality of falling dollar prices? Is the business of governing the second phase of the North Sea any different from the first phase? "Policy will be dictated by

the physical characteristics of the North Sea," says Mr Alick Buchanan-Smith, the Energy Minister, "We don't have more nassive fields to develop; we do have more difficult con-ditions. The real challenge is to maintain e reasonable pace of development"

That statement could have been made at any time in the last six years, but in one respect the Government has shifted the policy emphasis; in the way it is using both the licensing system and the Official Supplies Office to continue the continue of the state of the state of the system and the Office Supplies Office to continue the state of th shore Supplies Office to require greater use of UK R & D and technology and in the emphasis Mr Buchanan-Smith, especially has placed upon the need to build up export markets for the UK supply industry against the day when the oil runs out. The ectual method of allocating exploration ecreage and development rights has not changed it remains an uneasy mixture of cash euction, which

the Treasury likes, and discretionary awards, which the Department of Energy prefers. Although there is no shortage of friction about specifics, the system provokes little general complaint now that there is no bottleneck of applications.

The emphasis upon discre-tionary powers was reinforced last year when the Government on a single licence,

In the last six months, how-ever, RNOC's future has been ment last year completed a Mr Peter Walker, two of the production. Since the sale of BNOC's oil

and gas exploration and produc-tion assets in 1982 in the Britoll

#### Government policy

flotation—the Government still owns 49 per cent of Britoil but will sell it if and when market conditions are attractive—BNOC has essentially been an off trading organization.

Through its participation the agreements with the oil com-panies and its agency arrange-ment with the Government to sell royalty oil it handles. around 1.5m b/d of North Sea production—half the total. Of this, some 0.5m b/d involves only a book-keeping trans-action since the oil companies buy the oil back and use it themselves. BNOC actually trades 800,000 b/d of oil. The purpose of this arrangement is to ensure that the

Government has access to large quantities of oil in a supply trisis (this was in doubt in the 1973 oil crisis, when BP refused to give Britain priority treatment over its other customers); to enable the Government to have a voice in setting oil prices, which are crucial to government revenues; and to provide e large trading house to handle the oil of the many very small producers and to keep an eye on the oil companies.

BNOC still sits on the operating committees of North Sea fields and, more important, not yet.

review of the corporation and although some officials involved in the exercise recommended abolition. Mr Walker, the Energy Secretary, announced that BNOC would continue in

its present form. Hardly had he made the amouncement than it started to become clear that an organisation which could from wheel in a rising oil market, faces real difficulties when prices are falling. The attempt to resist falling

prices by keeping BNOC's official prices ebove spot market levels may have pleased Opec. but it lost BNOC practically all its customers and plunged it into large trading losses as it paid a higher price for its participation oil (the official price) than the price et which it could

sble to market their own one Security of supply, it is argued, fires inside me can be achieved without BNOC. Plugging. The use of chemical be achieved without ENOC, and the sold dispersing the oil dispersing The national interest, it is argued, would also be better

served by diffusing the focus of both Opec and the foreign exchanges upon Britain's ofl pricing policy. At the time of going to press, these arguments were not resolved although Mr

Walker, having only recently given BNOC a clean bill of Eventually, BNOC may go, but





UNIT 2 PITMEDDAN ROAD INDUSTRIAL ESTATE DYCE ABERDEEN

TELEPHONE: 0224 723456 TELEX 739312

The only internationial Freight Forwarder in Aberdeen able to offer, from one location ...

AIR FREIGHT : SEA FREIGHT : IMPORT CLEARANCE **EUROPEAN EXPRESS VAN & GROUPAGE** TRUCKING NATIONWIDE 24 HOUR & ECONOMY DISTRIBUTION

YOUP LOCAL STAFF LOOK FORWARD TO HELPING YOU

**WORLDWIDE ADDRESSES** 

AREKOLEN AYR ARINGOON ROSTON READFORD MUNDEE EDINAMERY GLASCOW BARTEURE MANIGK LONGOS MANCHESTER HEWGASTLEPRESYNICK SBETLAND IMLANDS CRICARO MOUSTON NEW YORK LOS ANGELES SOFFIELD HAMBURG STUTTGART.

ehniqu

de range ran di mari

\_EARANCE

ΛY

# THE NORTH SEA: the second phase

Developments arising from the new licensing rounds and the recent upgrading of North Sea reserves

# Activity at all-time high

Exploration DOMINIC LAWSON

AS THE North Sea oil story moves into its third decade, and production starts its inevitable deckine, exploration activity on the UK Continental Shelf is et on all-time high.

This is not as paradoxical as it seems. The fact that the biggest North Sea fields have been discovered and are being

been discovered and are being depleted, means that companies wanting to replace their reserves must move very fast even to stay still. Put samply, it requires more exploration to find 10 fields of 100m barrels each, than it does to find one field of 1bn barrels.

The second reason for the The second reason for the active exploration programmes now being pursued by many companies in the North Sea lies

in recent changes in the tax system.

Before the 1983 Budget the cil industry had been warning the Government that its policy of securing the maximum economic recovery of oil from the North Sea was being endangered by the taxation demand. Exploration drilling was indeed on a downwards was indeed on a downwards spiral, and the Government became concerned that the inter-national old industry would carry out its threat of upping

in recent changes in the tax

in the world for hydrocarbon exploration and development. The industry was allowed to set off its exploration costs against the petroleum revenue tax (PRT) payable on oil production. This meant that companies with high levels of PRT could effectively drill fit wells at a cost of 12p each. The long shots that company geologists had wunted to drill suddenly became an altogether easier proposition to put to the company finance director.

New records

New records
In 1983, following the Budget changes, a record 128 North Sea exploration and appraisal wells were drilled. These produced 21 significant oil and gas discoveries, the best year for discoveries since 1975. According to Mr George Band, the director-general of the UK Offshore Operators Association (UKOOA): "In 1984 we have smashed even last year's record, drilling 181 exploration and appraisal wells."

North Sea explorers were given additional cause for optimism, with the publication of the Department of Energy's annual review of the North Sea —the Brown Book—in May last year. This npgraded official estimates of UK oil and gas reserves dramatically.

The department believes there is between 16 and 25 per

re-assessment of the discovered fields, but of the potential of undrilled prospects.

Moreover, the figures stem from a recalculation of prospects in the mature and much drilled North Sea between 56 deg N and 62 deg N, rather than estimate as to what winds. than estimates as to what might be available in previously drilled areas such as the west of Shetland.
The 1983 Brown Book had

estimated reserves to be dis-covered in the mature North Sea as up to 5.6bn barrels, but the 1984 review suggested the area could hold anything up to 14bn barrels of "new" oil. This top of the range estimate, which the department concedes has a low probability of coming true, is equivalent in size to all the developed and developing North See oil fields.

These figures were backed up in a review of exploration prospects by the UKOOA in September, which suggested that over the next 10 years, wildcat drilling in the mature North Sea "would likely yield" up to 4.1bn barrels of oil. barrels of oil.

The UKOOA documents pointed out that 90 per cent of those discoveries were likely to be fields of less than 100m barrels, compared with the average size of 400m barrels in the North Sea'e existing developments.

The oil industry has in turn demonstrated its confidence with record bids in the auction part of the night round of off-

part of the ninth round of off-shore oil and gas licences, pro-ducing for the Treasury a total

for part-blocks, which had been relinquished by previous #nsuccessful owners. Indeed, any one of the auction blocks named in the ninth round could have been acquired for £5m each in the seventh licensing round. Only five years later, companies such as BP are pre-

pared to pay anything up to 25m for the same blocks.

A consortium led by the U.S. oil company, Marathon, bid £19m for the block 16/8c, formerly licensed to Shell, in a part of the North Sea which has

This year, too, both BP and Shell returned to their blocks in the immediate vicinity of Conoco's find. BP on block 16/7B made what it claims is its biggest North Sea oil find since the 500m barrel Magnus clifield was discovered. Shell's oilfield was discovered. Shell's 1984 well on block 16/8a is, in the language of the industry, tight, but widely believed to have been a discovery.

Similarly promising activity has been evident near the

potential oil province, but British Gas proved the pundits wrong by discovering very large gas flow rates on its well on block 214/30, the first West of Shetland gas discovery.

Gas discovery

discovery, the proof that the area can generate handsome flows of any dydrocarbon un-doubtedly increased the industry's interest in the frontier acreage on offer in

the ninth round. British Gas in August made e gas discovery in the south of Britain, too, four miles off Bournemouth's main beach, in Channel block 98/11. It was the first gas discovery in the Chamel, and was once again, in an aree where the industry bad expected to find oil, if it

wells being drilled in the North Sea. With the British Gas Corporation's offer price shooting from 2p a therm in 1976 to about 24p a therm today, gas fields have suddenly become highly profitable, with post tax real rates of return of

ation has, moreover, proved remarkably successful. Accord-ing to Mr Malcolm Ford, joint managing director of Britoll, the discovery rate for gas exploration wells drilled in the

# there is between 16 and 25 per cent more oil than previously calculated, end between 8 and 28 per cent more gas. The new rigs and leaving. In the Budget that year the Chancellor, Sir Geoffrey Howe, changed the tax laws in such **UK OIL AND GAS FIELDS**

part of the North Sea which has been highly favoured since Conoco's discovery of a sub-stantial oil field in 16/8b in

bas been evident near the Galley field in quadrant 15, and the Bruce field in quadrant 9. With prospects seen as good Comoco ied a £11m ninth round bid for block 9/8B, just to the west of Bruce, and BP bid e record £25m for 15/18B.

Much of the ninth round ettention, however, has been focused on what have been termed "frontier areas." The Government made a decision to license victually unexplored areas West of Shetland and the Hebrides, with the indocement that companies which offered to drill in these hazardous waters would be given preferential treatment in the allocation of

more obviously desirable ninth round acreage.

In April last year Britoil Esso, Amoco and British Gas began to drill wildcats in 2,000 ft of water West of Shetland, while the Achautic weather was

at its least awful.

The area had been seen as

Although the oil industry would have rather seen an oil

found anything.

Gas in its own right has been the spur to a very high proportion of the record number of 40 per cent quite normal.

past five years is no less than 50 per cent.

# Anxious eyes on the oil price

OIL. ▲ TEHA PIPELMES

#### Financial outlook DOMINIC LAWSON

IN OIL exploration the big fields are discovered first and as the province becomes more mature, the discoveris tend to become smaller and the developments less profitable.

That is now becoming true of the North Sea 20 years on the production.

The fields now in production average 400m barrels of oil in size and about 90 per cent of the eccond generation of North Sea fields contain 100m barrels

or less.
Many of these fields, dubbed "marginal" by the industry, have been known for years, but neglected while there were bigger, more profitable pools to exploit.

exploit.

That fact alone will provide new problems for the institutions that are called npon to provide financial backing for the exploration and development of the North See ment of the North Sea,

ment of the North Sea.

As if that was not depressing price paid by British Gas has been tied to sterling indicators. He would be an ited to sterling indicators. Mr. Anthony Fawcett, assistant director of Barclays Energy fronted with the spectre of falling would oil prices, and the impact that could have on one impact that could have on one of the world's highest cost oil of the world's highest cost oil project loans.

Sea oil project loans.

However, it would be a mis-

senior energy advisor at Bar-elays Bank: "We have had to out that banks have always used but with a five year production disaster."

push that increase further and a conservatively wide spread of period likely in some fuure further away, and the banks are possible future oil prices when marginal fields, the bankers will

This well established trend-This well established trend-failing dollar oil prices but stable sterling oil prices—leads some hankers to believe that more North Sea project loans will be sterling dominated rather than, as has been con-tomary in the pest, dollar denominated.

Borrowers would then begin to think of their revenues in sterling terms—because that appears to be the stable definition of their future earnings and will as always want their habilities in the same correctly as their perceived steady flow of earnings.

While sterling loans have always been a feature of gas field developments, because the price paid by British Gas has been tied to sterling indicators.

For some years hanks have been lending money in the North Sea on the assumption that oil prices would be fat for about two years, and then start to rise in line with inflation. Says Mr David Anderson, bead of National Westminster and the start of the s

AREA

**NETHERLANDS** 

further away, and the banks are now looking at fiat nominal oil prices, falling in reel terms."

The bankers are not panicking yet, however, because they know that, with the slump of the pound against the dollar the sterling value of North Sea production has, if anything, been rising for the past year.

This well established trendbegin if the price fell below \$20, and even then the oil companies themselves would be the real sufferers," Mr Masters observed. The point is that the banks operate a "cover ratio" that is tha relationship between the amount of the loan, and the estimated future value of the wordstion. In the North Saa production. In the North Sea a cover ratio of 1.2:1 would be the thinnest imaginable for a bank, even for a simple southern gas basin development.

#### Overruns

In earlier years of North Sea In earner years of North See lending rises in the oil price helped the banks. Many of the first fields suffered horrendous overruns, partly because of the oil companies own inexperience in handling developments, and partly because of high devels of inflation that gripped the UK in the mid 1970s. the mid 1970s.

With the marginal fields, there will be little room for cost overruns, and no rising oil price to come to the rescue. There are other more technical problems for the banker, too.
The "tail" in the field—the

expected production which comes after the period in which the loan should be repaid— may be very short indeed. The lengthy depletion period of the earlier fields meant that there was plenty of extra oil in the kitty in case things went wrong. have no such cushion.

As more and more banks have come into the market, competi-tion to lend to the oil companies has become fiercer. Gone are the days of 2 per cent over LIBOR margins, or a fixed royalty of production. Instead, these are the days of pre-completion risk.

In this way the banks will lend during the construction phase. Security will simply be the belief that the field will come on stream and produce as planned.

Previously, the loan would go non-recourse only after the field bad started production and the reservoir performance had been shown to be in Mne with predictions.

This pre-completion risk bas become more widspread in part because the North Sea has become better understood by banks and oil companies, and the technology has become familiar to both: What will happen in the future, if fields are developed in waters much deeper than experienced to date, and demanding a whole new technology is unclear, Will banks, anxious to win business, still take pre-comple-

one, hopes not. "What will kill this business is when someone pushes that host out too far, and the completion risk actually materialises. As far as the banks are concerned, that would be the first major North Sea project

tion risks? David Anderson, for

LIQUID ASSETS FLOWING SMOOTHLY TALK TO THE EUROPEAN LEADER We're Mather + Platt. We're Europe's leading name in the barrels of oil per day to the UK. We were chosen to supply the worlds largest offshore seawater injection pumps (12Mw).
We developed ZERON 25 a supply of centrifugal pumps, electric motors and sophisticated foundry products to the oil industry. Our products are used all over the specialised duplex stainless steel

world - from the blistering heat of the Middle East to the harsh sub-zero wastes of Alaska. We've also many years of outstanding experience gained from working in the tempestuous waters of the North Sea.

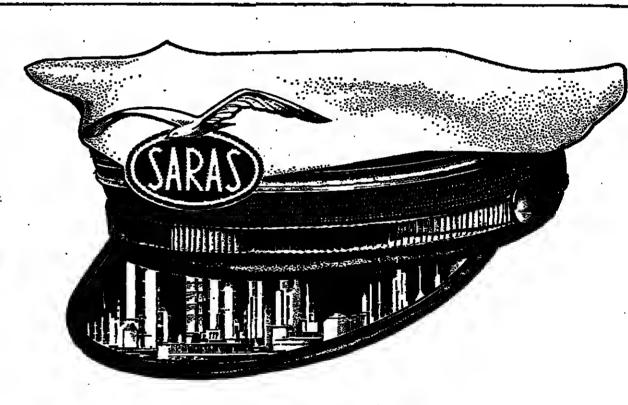
TODAY IN THE NORTH SEA.

Our pumps are responsible for transferring over 1.5 million

which beats corrosion. The power capacity of ZERON 25 pumps for the North Sea alone is

over 130,000 kw. We've helped many companies keep their liquid assets flowing smoothly. And we could do the same for you. If you'd like to know how the experience and expertise of a worldwide company can work for you, talk to us.

Mather+Platt Limited, Rotating Machinery Division, Park Works, Manchester M10 6BA. Telephone: 061-205 2321. Telex: 667193. London Office, 102 College Road, Harrow, Middlesex HA1 1YH. Telephone: 01-863 9051. Telex: 25958 MPRMD-G. and at ABERDEEN, AUSTRALIA, CANADA, HONG KONG, HOUSTON, INDIA, SINGAPORE and UNITED ARAB EMIRATES PART OF WORMALD INTERNATIONAL GROUP



# The refinery at your service

Saras refinery was planned, built and equipped to process customer's crude oil.

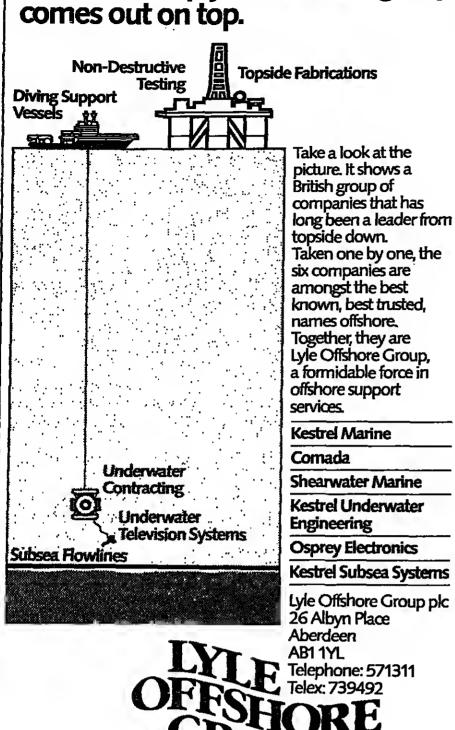
It has a yearly processing capacity of 18 million metric tons and such a flexibility as to admit, stock (in the huge tanks system of 3,6 million cu. mt.) and handle any kind of crude oil through the many processing stages asked by the customers, offering a range of refined products that can meet every requirement.



saras spa raffinerie sarde

HEAD OFFICE: 20122 MILANO - Galleria de Cristoforis, 8 - Tel. (02) 7737 - Telex 311273 SARAS I REFINERY; 09018 SAFFIOCH (CAGLIARI)-Km, 19-S.S. Sulcitana - Tel. (070) 900001-Telex 790169 SAFAFF I BRANCH OFFICE: 00187 ROMA -Via Ludovisi, 43 -Tel (06) 4742701

# However deep you look one group



# Spotlight on management ability

#### **Opportunities for** suppliers

FEW BRIDES can bave been wooed more assidnously than the suppliers of offshore equip-ment over the past year. Shell and Esso, in particular, bave each issued major documents which ettempt to explain what they want from suppliers and what beavy volumes of business are available to those suppliers

that take the edvice offered.

Shell and Esso both argue that between now end the end of the century about 90 new oil and gas fields could well be developed at a cost of soma £60bn, almost twice the sum spent so far on North Sea developments.

Aside from the dictates of geological probability, the assumption is based on the reasonable belief that the Government will want to main-tain UK oil production at the level of self-sufficiency for as long as possible.

Shell and Esso are directing their message at UK industry. thereby going to the heart of the most controversial North See issue of the moment — the performance of British com-panies in the offshore supply

Two developments in particufar have served to bring the issue to the centre of the stage. First, a new pressure group, British Indigenous Technology (BRIT) was formed last year. in order to press the claims of UK businesses to a greater UK businesses to a greater share in future North Sea

Second, and much more important, there has been a consuming interest in the matter from the government depart-ment responsible for the North Sea. The Energy Minister since Sea. The Energy minister and the General Election in 1983 — Mr Alick Buchanan-Smith — represents a constituency which borders Aberdeen, the heart of the UK oil industry and be sees the success of UK companies in the offshore oil game as his

top policy objective.

Adding to the pressures on the major oil companies, and the UK Offshore Operators Association, Mr Buchanan-Smith is currently deciding which companies should be awarded ninth round North Sea licences. The campaigns from BRIT and from the Energy Department at Millbank, bowever, have quite different emphases. The offshore suppliers' ginger group adopts the blunt approach,

arguing that, simply, they are not getting a big enough share. Their complaint is that the official figures which suggest that about 70 per cent of the valua of offsbore orders are placed in the UK are misleading. About half of these orders go to the UK-based subsidiaries of foreign, mostly U.S. companies, and only about a third of the total North Sea order goes to UK-owned companies.

goes to UK-owned companies,
The Energy Department's
point is that UK industry, while
competent in the low technology basic industrial processes re-quired in the North Sea, is inadequately represented in the

key operation. Thus, vertical integration, such as Trafalgar House has been pursuing, is seen by the Government as a trend to be encouraged.

Having reached agreements with the Government to buy both RGC Offshore from British Steel, and the Scott Lithgow yard from British Shipbuilders, Trafalgar House was given strong backing by the Offshore Supplies Office in its formation of Trafalgar Davy Offshore, a joint venture with Davy Corporation, the big UK engineering group, late last year.

Hitherto only companies with a large degree of U.S. control, a large degree of U.S. control,

#### **Probable Future Developments**

Pield	Reserves	Operator	Estimated start-up	*Capital costs (\$m)
Andrew	79-86 m.bbis nil 186 BCF gas	BP	1989	900
Den	90-110 m.bbls oil 40 BCF gas	Britoil	1990	1,090
Elder	75 m.bbls oil 30 BCF gas	Shell	1989	1,250
Etiriek	50-70 m.hbis oil	Britoil	1989	650
Gannet	150 m.bbls oil 500 BCF gas	Shell	1991	1,200
Innes	6 m.bbis oil	Hamilton	1985	40
Kittiwake	56 m.bbls oil	Shell	1991	790
Miller	225 m.bbls oil 300 BCF gas	Conoco	1989	1,500
Tem	165 m.hbis oil 40 BCF gas	Shell	1989	1,550
Tiffany	80-100 m bbls oil	Phillips	1999	1,200
			Source: Wood I	Jack Bazin

high technology exportable products which are specific to that oil exploration and production

The most publicised attempt by the Government to win UK companies a bigger stake at the sharp end of North Sea technology, is the stipulation that contribution to UK-owned off-shore R and D will be a key factor in the acceptability of hide for acceptability of the streams in the 9th bids for acreage in the 9th round of offshore oil licences. Behind the scenes tha Depart-

ment of Energy, through its watchdog, the Offshore Supplies Office has been engaged in more substantial manoeuvres to strengthen the UK offshore

The OSO has been instrumental in attempts both to rationalise the offshore sector, and to encourage well-managed industrial groups, such as GEC and BTR into the sector. This drive appears partly based on the belief that the oil industry is increasingly looking for com-panies that can provide a turn-other countries such as Heereis increasingly looking for com-

1975-84

such as McDermotts or Bechtel, have offered the kind of Inte-grated engineering and con-struction package that TDO will now attempt to sell.

However, one key element in a turnkey North Sea package sadly absent from the TDO prospectus, is the capacity to carry out heavy lifts, an essential part of the installation of a North Sea pletform.

This absence is one of the sore points with the OSO which had spent much time trying to encourage Brown and Root to commission the building of a vessel with a capacity to lift up to 9,000 tons.

But the plan did not work, partly because UK companies could not be found prepared to work to the price that Brown and Root felt would make the venture feasible, and partly because it appeared that UK companies were not prepared to risk large amounts of capital for a vessel which would not be guaranteed work

Oil Production By Company

max of Holland have been prepared to commit large sums to the construction of vessels with no proven market. Similar reasons lie behind the absence of UK companies from the North Sea pipe-laying barge market.

market.
The OSO now appears reluctantly to accept that the UK may now have forever lost the chance to compete in these markets, barring heavy state support.
However, even outside these specialised high risk markets, the consensus is that UK industry could get much more out of the basic low technology end of the North Sea supply business, simply by a general raising of management standards, and all round efficiency.

In a report published earlier this month the National Economic Development Office warned that high prices, weak management and inferior design may deprive the UK of billions of pounds of orders from the offshore odl industry over the rest of the century.

The NEDC report argues that this management weakness will become increasingly exposed, and that the most successful yards will be those with the

yards will be those with the most flexible working practices.

The second phase of the North Sea development may well see a sharper than ever contrast between the over-booked favoured yards, and yards whose management is deemed unreliable by the oil industry "With fields such as Brent

we could throw cash at a problem. But margins are too tight now to afford such a policy. The oil industry will increasingly judge suppliers not by their physical capacity but by their management capacity," Mr Chris Ledger, on second-ment from Shell at the Energy

Business Centre, says.

Mr Ledger believes that the main reason, apart from management, why the UK is under represented in its own North Sea backyard, is that British industry originally saw the North Sea as too transient a feature of the industrial land-Scape to justify a major effort.
He points out despondently
that at a recent Energy
Business Centre open day, most
of the voluntary exhibitors were

"It appears that British industry still hasn't learnt the lessons. They thought that the North Sea would be a nine-day wonder, and 20 years later, they are still saying it."

Forecast 1985-'94

Dominic Lawson

# PETER EVERETT



# **Taking** outside line to the top

WHEN THE job of running Shell UK's exploration and production interests fell vacant at the end of last year, Peter Everett's name was not on most form sheets.

It was assumed that from the large bank of lighly qualified people already occupying either Shell-Mex House (Shell UK'a beadquarters) in London's Strand or the international offices at Shell Centre across the river, a successful candidate would be found. Instead, Shell decided to

give the managing director's post which looks after the major part of a £6bn a year business and it is perhaps the most prestigious job in the North Sea—to a man who has never worked in the UK, except for a brief period as a

except for a brief period as a student coal mining engineer before be joined Shell.

Dressed to receive visitors in a golfing pullover, Mr Everett, 53, does not look like the identikit Shell executive. But his career is, in many respects, the model upstream Shell story. Shelt story.

Born in London but raised

largely in Scotland, the son of a civil servant, he qualified as a mining engineer at Edin-burgh University before alscovering during six months of coalmining in Scotland and coppermining in Rhodesia, that he did not like life woderground.

engineer do if he doesn't want to be underground? -- Oil." versity milkround and he was on board.

#### Setting out

Like many Shell men he began in Holland, before setting out for Indonesia and the first of a string of out-posts as what in those days was known as an "arploin-tion engineer." After the wind of change, the job description has been altered to "petroleum engineer."

He was in Nigeria during the first oil shock. "We wondered two things. Whether there would be any more E and P (exploration and production) for us to do and we said 'There's no way Nigeria can spend four times the amount of money it's already getting." Even Shell

already getting." Even Shell managers get things wrong.

There were two spells in Nigerla, one in Trinidad and tisres in Brunei, where eventually Mr Everett became managing director of Shell Branei, which accounts for 95 per cent of the country's occounty. "I could walk into the Prime Minister's office at any time," he says. The Sultan of Brunei has just bought the Dorchester Hotel.

The life of an itinerant

The life of an itinerant engineer and managen has, he says, been an enjoyable one. He was only once tempted to look for work in the UK, when he first faced the choice of sending his four children to boarding school.
Once that wrench was
made, he was happy to thisk
of ending his career somewhere remote and hot before retiring to Edinburgh and reretring to Eanburgh and re-newing regular contact with his old rugby club, the Wat-sonians. His daughter now lives in Kenya, his son is a mining engineer with De Beers in South Africa and he

Beers in South Africa and he has two sons still being educated in Britain.

But what he now ealis "the Shell eccoon" was not to last. The world of income tax, commuting from Wimbledon and lack of exercise — he is a golfer — have him in their grip.

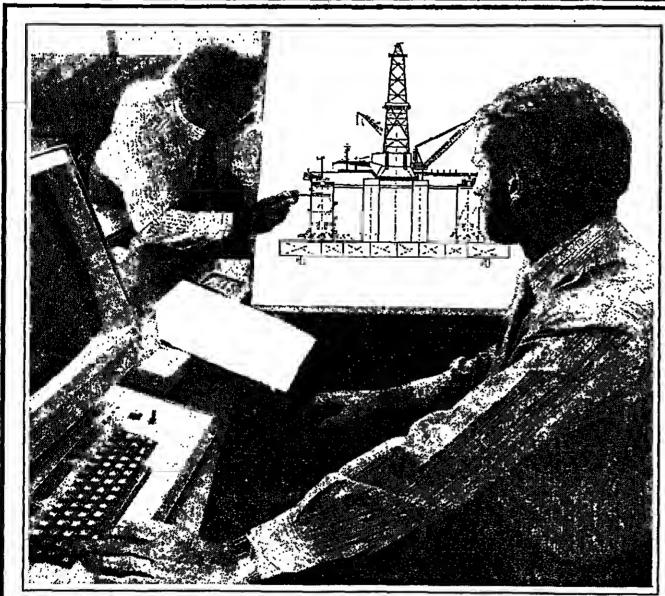
Why does he think he was picked for the job? "This is a very hig operating com-

Why does he think he was picked for the job? "This is a very big operating company and I suppose you need somebody who already had experience of running a big operating company. My experience does not bappen to have been in the UK, but that is somewhat Irrelevant."

Perhaps he is right that Britain and Brunci are not all that different. The other day, addressing fellow executives on the importance of buying British equipment, he pro-

British equipment, he pro-claimed: "Shell UK will be a good citizen of Brunel."

Ian Hargreaves



# Weir would like to hear from you

Weir engineers, with their complete range of design, research, development, testing and manufacturing resources and supported by a world-wide network of service centres, have had many successes in the design and operation of equipment for aggressive salt-water environ-

Just some of them: 1971, the first barrel-casing pump with replaceable cartridge for oil production and water injection; 1973, first use of Duplex alloys in oil industry components for lightness and sea-water corrosion resistance; 1977, world's largest water-injection system; 1978, development of complete, integrated machinery monitoring and protection systems; 1980, first U.K. manufacture of hydraulic drilling jar, now market leader in North Sea; 1981, contract to design and supply Nigeria's largest offshore water-injection system; 1981, first successful hydraulic turbine-driven high-pressure downhole pump for deep wells; 1982, first reliable screwtype motor for hydraulicallydriven offshore fire pump; 1984, world's largest sea-water Reverse Osmosis desalination

plant contract. manufacture of largest barrelcasing pumps to date for working on components and systems for the next phase in North Sea oil development, to solve the problems of handling liquids and gases more efficiently and economically in harsh conditions on or below

the sea. Some of those problems may be yours. If so, we should like to hear from you.

The Weir Group PLC. Cathcart, Glasgow G44 4EX, Scotland. Telephone: 041-637 7111. Telex: 77161 WPLCRT G Fax: 041-637 2339 (GR 1 and 2 AUTO)

# Call for rationalisation

ONE of the most striking mani-

In 1964 the number of quoted oil companies listed there barely reached double figures. The number now is well into three figures, with the over-whelming majority of new entrants appearing in the past 10 years after North See oil production arrived.

A closer look reveals an extraordinary number of gaps where dividends and earnings ratios would usually appear,

This illustrates a truth which early North Sea investors often refused to realise: that oil exploration is a risky business. especially for the small and under-capitalised.

But the list understates the problem. Hidden from scrutiny are the established companies in everything from food to electronics which invested profits in often-barren searches for North See ail. for North Sea oil.

A series of industrial com-panies have left the scena in the last year or two, such as British Electric Traction, Fluor and Unigate. It is likely that as the prospects of major finds become increasingly remote many more "non oil" explorers will sell their North Esa acreage-probably for little more than the nominal costs of earlier

Mr Tony Craven Walker, of Charterhouse Petroleum, have been advocating a shake-out, and consolidation of small "pure" oil exploration and, production companies.

In spite of their numbers, the small UK oil companies own only about 7 per cent of North Sea oil reserves and 4 per cent of its gas reserves.

"The smaller companies will be well at the Government's exfestations of corporate changes arking greater drilling risks bewell at the Government's exprought by 20 years of North Sea oil and gas exploration can be seen inside the back page of the financial Times.

The smaller companies will be well at the Government's expense. BP anctioned 12.5 per cent of its Forties field in 0.25 per cent sections.

Last year Occidental, the U.S. oil company, auctioned small. encourage rationalisation and the emergence of substantially larger and better diversified British companies."

The Government has made a strong contribution to this trend last year when it created Enterprise Oil out of the North Sea assets of the British Gas Corporation. In order not to avoid becoming a self-liquidating asset, Enterprise will need to take over the best parts of the exploration portfolios among exploration portfolios among some North Sea minnows.

But the carnivorous trend predicted by Messrs Phipps and Craven Walker has yet to de-velop into much of a feast.

#### Corporate scene

When Carless Capel end Leonard used similar arguments in a £100m attempt to take over Premier Consolidated Oilfields last year, it was resoundingly rejected by Premier's share-holders, although the offer was

One of the catch phrases of North Sea corporate life is "tax efficiency." This stems from the 198 3Budget, which exploration.

Many leaders of the successful first-generation exploration companies such as Mr Colin Phipps, of Clyda Petroleum, and Mr Tony Craven Walker of the 198 3Budget, which gave the oil companies the tax break of their dreams, Companies could offset tax on their oil production egainst North Sea exploration costs.

The "tax offset is stems and the production of the particular content is stems and the production of the success of their dreams, Companies the tax on their oil production egainst North Sea exploration costs.

its gas reserves.

small explorers without full tax
Mr Tony Craven Walker says: relief, both partles could do

oil company, auctioned small bundles in its Claymore field to 12 companies.
The Department of Energy

did not disguise its distaste for these deals, which it believed did not encourage exploration, but merely enabled non-operators to gat Government finance for a few wells which would probably have been drilled anyway.

The final straw came when companies asked to sell parts of their newly-lacquired Forties production in e ven smaller slices to even smaller companies. To avoid the creation of a secondary market in North Sea production, the Government introduced a rule, limiting the number of partners in any North Sea licence to not more

But Mr Michael Unsworth, oil analyst at stockbrokers Scott Goff Leyton, insists that the City still has plenty of time for small North Sea oil companies. He says the investing public have not forgotten successes tuch as LASMO or Saxon OH, where a small company had grown because it was highly

than 10.

geared to one successful exploration well.

In recent months exploration stocks have underperformed the FT All-Share Index by np to 30 pr cast. But Mr Unswarth says. pr cent. But Mr Unsworth says that represents a good performance against a weak off price and a built market in other industrial sectors. The fall in the pound against

The "tax efficient" company could explore at a cost of 12p in the pound, with the Government paying the difference. The aim was to encourage exploration, which bad been discouraged by harsh tax regimes.

A loopbole was quickly spotted by British Petroleum. By selling highly taxed oil production areas in tiny silces to small explorers without full tax we can't find enough wells to drill. But that's not a terrible problem to have."

Kr. W. ± a 2e € Service and a se ATOM THE AMERICAN ALCOHOLOGY

\*\*\*\*

WELLE !

20.21 s to secure

- -222 231 25 Sec. 1

E CO THE RESERVE THE STATE OF THE PARTY OF THE PA

 $G^{gA}$ 

an tenny

. 40.11 (47)

14 TE

ONAL

et ap e se

LEARANG:

PAGE

#### Gas

DOMINIC LAWSON

GAS IS NOT so appealing as oil. "Striking oil" is front-page stuff, "Striking gas" is a pirase which fails to conjure up the same images.

The reasons for this are hard to analyse, but in the hey-day of the Organisation of Petroor the Organisation of Petro-leum Exporting Countries, off-suddenly became a symbol of great charvinistic potency. The general public has yet to appre-ciate that the Soviet Union holds the position of world gas supplier of last resort, a politi-cal fact intrinsically more con-troversial than the similar role of Saudi Arabia in the nattern of Saudi Arabia in the pattern of oil supply.

Over the past year gas in the UK has been a much more interesting and important story than North Sea oil. Up to 1979
the British Gas Corporation
(BGC) had to work hard finding
markets for the first generation
of Southern Basin North Sea
gas fields and saw no need to offer suppliers the attractive prices that would encourage more gas exploration and dis-

The inevitable then happened. Gas drilling in the North Sea dwindled almost to nothing, leading to the shortfall in UK gas supplies which the BGC insists will have to be filled by additional gas imports from Norway in the mid-1990s.

However, the very attractive prices that British Gas has been offering North Sea gas suppliers since 1979, in an effort to encourage UK suppliers, have, if anything, been too successful for the Corporation's own comfort, at least in its other role es an advocate of imports.

The rate of drilling has the success ratio has been unexpectedly high. In a lecture last year marking the 20th anniversary of the first North Sea licence Mr Malcolm Ford, the joint managing director of Britoil, pointed out that one in two of the gas wells of the past few years had found gas. He went on to cast doubt on the stimate of UK gas reserves in the then freshly published 1984 a starting point the Government's policy objective of seek-

they were too low.

Mr Ford has been swiftly Mr Ford has been swiftly vindicated, since it now appears that the Energy Department will soon amounce that it has, forms a year, four oil, three gas indeed, upgraded its estimates of UK gas reserves by about 20 per cent. The Brown Book had calculated proven and probable gas reserves of 40.6 trillion cubic feet, equivalent to over 25 years of UK demand for gas.

The rapid discovery rate has been a key factor behind

been a key factor behind clency in both oil and gas for Government's antagonism to the rest of the century. British Gas'e attempt to import British Gas'e attempt to import \$30bn of gas from Norway's Steipner gas field to supply the UK in the mid 1990s. The rapid depreciation of the pound against the dollar, in which the Steipner contract is denominated is a eccond factor, although this is a point which is probably of more concern to the Treasury

#### Marked gap

have the reserves, but quite be developed this century, another to exploit them. The British Gas believes that any-UK Offshore Operators Associathing above 35bcf is economic. UK Offshore Operators Association (UKOOA), which has pubtion (UKOOA), which has publicly opposed the Steipner deal, has produced an exhaustive study of gas discovery and development prospects in the North Sea to the year 2000, which postulates a marked gap between UK gas supplies and indigenous demand in the 1990s.

The UKOOA's asssessment is

ook estimates, arguing that ing to maintain production at the level of UK oil self suffi-

and one gas/condensate.

This is itself a greater rate of development than has hitherto been seen in the North Sea and the gist of UKOOA'o assessment appears to be that on a realistic analysis of industrial capability, the UK may not be able to achieve self suffi-

The Department of Energy believes that maximum recovery of hydrocarbons must be the basis of any field deve-lopment plan.

The future of North Sea gas development of ever smaller more concern to the Treasury than the Department of Energy.

Marked can

Marked can However, it is one thing to cubic feet for any gas field to at least in the southern North

UKCS Gas Availability rorecasts LIKODA L-Wood The rapid rise in the UNOCA supply projections at the end of the 1990s is due to a sudden increase in supply

appraisal and development could be telescoped, with just one or two wells filling all these roles in turn.
Mr Hughes also envisaged

Source Shifted Con

the construction of a SWOPS type system, as developed by BP for oil development, but adepted for use on small gas fields. This would be a vessel which moves between several hydrocarbon accumulations, drawing in the hydrocarbons from each in a rota system, and returning to each when the natural pressure in the reser-

oir has been restored.

Of being able to declare coal
Mr Hughes poted that the mines "economic." Corporation has invited many contractors to talk about such a project but that " nobody has available a fully engineered and proven set of equipment which might be the gas version of the BP SWOPS oil prodoc-

Mr Hughes, however, questions the bopo that the new the UK to reflect real market fields, would be rapidly tied into the jointly owned present, a game of poser than be, as at present, a game of poser than the present, a game of poser than the present of the poser than the pos

ment may yet come over the question of exports. If the Government truly balleves its own frea market convictions it could move to link the UK with the cootineotal gas grid,

ture is itself not an unalterable tableau. Recent forecasts made by the Department of Energy

and the BGC show that the Department's estimates of the UK industial demand for gas

et the end of the century are much lower than those of the

Corporation. It is difficult to

avoid the impression that behind the British Gas advocacy

of imports is a determination to maintain its hold on the

industrial energy user. The Government has other ideas, not least the political incentive

A further clash between the

Corporation and the Govarn-

forces, rather than be, as at present, a game of poker between an effective, if not With all the arguments about ectual, monopoly buyer, and a gas supplies, the demand pio- handful of major oil companies. PROFILE: GEORGE BAND, DIRECTOR-GENERAL OF THE UKOOA

# New heights to scale

MANY OILMEN talk fondly of being in at the start of the North Sea oil and gas story. Few can claim it with as much validity as Mr George Band, the director general of the UK Offshore Operators'

Association. In August 1959, Mr Band's first job with Shell was on the first exploration drilling at Schlochteren, on the north coast of Holland. This was the well which uncovered the Groningen gas field. It did not take long for geologists to recognise that the deposits continued out to sea and the development of the North Sea began,

Mr Band is not an explorer but a petroleum engineer, who throughout his 26 years with Shell has been con-cerned with getting the most ooi of mature oil regions such as the U.S. Malaysia and Venezuela. So he considers himself an appropriate choice as the second UKOOA director general, as the North Sea takes on the status of a mature region.

#### Regrets

The association was coming out of its shell now that the UK industry itself had come of age. It has produced surveys on the prospects for North Sea development to the end of the century, and on the scope for recovery from existing fields. In a further bid for public exposure Mr Band says he has taken up "modest wining and taken up "modest wining and dining of MPs."

His best efforts must be to

George Band: petroleum engineer with a hankering

persuade ministers and civil servants of the reasonable-ness of oil industry requests. Before he joined tho asso-ciation at the beginning of last year, Mr Band had been Shell'e government and publie affairs director, so he is used to dealing with govern-

The Band method is to identify areas where the interests of government and the oil companies coincide, and push that." Hence his emphasis on the campaign for tax reliefs for incremental oil recovery. "We and the Government are committed to maximum hydrocarbon recovery."

Mr Band is committing himself to only a three-year

term at this stage. He has had a lot of offers from inde-pendent ofl companies wishing to beef up their boardrooms, but Mr Band has ambitions that lie far from the comfort of the City of

"I would like to walk the length of the Himalayas," Mr Band says.

Hand says.

The modest Mr Band, it turns out, was a member of the expedition which conquered Everest in 1953, and for four years after leaving university described himself

university described himself as an "explorer and writer." Some of his experiences are described in his book Tha Road to Rakapeshi.

He Band says he has somo regrets that he did not stay a professional mountaineer, but he decided that "it did not provide for old age." Now that he has taken care of that problem, it would not he surprising if he returned to the haunts of his first profession.

Profession.
Hydrocarbons and George Band will not stay apart for long, as the dramatic start to his career with Shell indi-

In 1978 he set up home in Hampshire: two years later the Humbly Grove oil field was discovered a few miles

from his front door.

"I've got a paddock of one acre and if they want that as drill site Pm agreeable," Frustrated mountaineer he

may be but Mr Band is also an incorrigible oil developer. Dominic Lawson

# Central estimates of UK gas demand

	(million cul	dic feet per d		
	1985	1990	1995	2060
British Gas	5,100	5,600	5,600	5,600
Wood Mackenzie	4,900	5,500	5,900	6,200
BP .	4,850	5,500	5,550	5,450
Esso .	5,050	5,450	5,700	5,750
Conoco	5,400	5,800	5,700	5,780
Stateil	5,000	5,200	5,400	5,600
Gaffnev Cline	5,300	5,800	5,900	6,100
			Source: Si	tilah Ges

# Welcome for new wave of exploration

# Scotland

OFFSHORE OIL and gas development is big business for Scot-land. Oil has helped fill the vold left by Scotland's declining traditional beavy engineering sec-tor and has joined electronics as a new a "sunrise" industry in the Scottish economy.

Above all, it is e big employer. About 66,000 of thetotal 100,000 jobs in the UK directly or indirectly involved in oil are north of the border. About 40,000 of these jobs are in the Aberdeen area and they have helped to transform the local

The new wave of offshore exploration and development now underway is particularly cru-cial for Scotland. Yet whatever the prosperity brought by the offshore industry, there is a feeling among planners that Scot-tish industry must do bestyr; it must improve its penetration of the high technological side of the industry to make a lasting impact and best employ its re-

UK industry, in general, is trying to get a better grip on North Sea oil industries. The official figure published by the Dopartment of Energy is more than 70 per cent, but this in-cludes the contribution of the

cludes the contribution of the UK subsidiaries of foreign largely American companies.

When Britain started to develop its offshore off and gas reserves in the early "70s, importing American oil support industries along with American expertise was part of the pasce paid for the rush towards self-sufficiency.

#### Claw back

Since then, the Department of Energy has been trying to claw back the British participation through insisting that oil companies bidding for offshore licences show "full and fair" opportunities for British con-

The oil companies would The oil companies would argue that they are doing their bit, especially when it comes to creating jobs. The big steel fabrication yards in Scotlend—some employing 2,000 men—some employing 2,000 me North Sea. An increasing amount of the equipment helping to extract and process the oil and gas has a "made in

Britain " tag on it What wornies the increasingly houses Europe's largest concen-vocal lobby for greater British tration of integrated circuit penetration of this market is the need for much more extensivo participation in areas of high technology. They are look-ing towards the end of the cening technology. They are non-ting towards the end of the cen-tury when offshore oil supplies are in decline and new offshore set up and service them. Fur-

fields in other countries are in thermore, it wants the Scottlah

exportable oil technology by away and set up their own then is often the question. It companies producing new prois unlikely that offshore oil deducts and services.

The job of applying the elec-Sea, for example, will mean contracts in the relatively unfabrication for Scotland. There ere highly competitive yards in South Korea and Japan closer at hand, and Chinese yards will be enxious to handle as much of the work as possible.

British oil industry com-panies find getting into the high technology business a bit like entering the acting profession, where you cannot get on the stage unless you carry an Equity card and you cannot get an Equity card without some stage experience.

#### Conservative

The oil companies are run by conservative people, fearful of the vest expense involved in downtime to make repairs, and are loth therefore to use untested and untried equip-ment. Winning thair confidence has been the big problem.

Scottish industry is so close to developments taking place in the UK that many would expect proximity itself would be sufficient incentive for a broad assault on the market. But like other industrial

sectors in Scotland, the participation of Scottish companies has often needed some hefty pushing by officialdom to get it going. One push comes through tha

Department of Energy's licen-cing system. For the ninth round offshore the department has notified oil companies that it will pay special attention to their plans to use British research and development facilities in making its decision

to award licences.
The Scottish Development Agency, the main industrial promotion body for Scotland. has recently become the second significant factor in pushing the Scots companies forward.

A consultant's report com-missioned by the agency identi-fied a number of areas where

Another area is both the most obvious and at times the most confounding: electronics. Scot-land has a big electronics industry with over 40,000 jobs. It manufacturing and personal computer assembly.

Whether Britain will have an nationals eventually to break

The job of applying the elec-tronic resources to industry has not been easy but the oppor-tunities are there. The previous generation of offshore platforms pre-date the most recent suc cessful development of com-puterised control or instrumen tation systems. The modern generation of platforms now being commissioned and those

on the way will rely increas-ingly on electronics.

The SDA hopes the same approach it has used for elecapproach it has used in electronics, might work in elishere industries. By bringing in foreign companies, Scots working for these companies may. after gaining experience, try to go it alone.

The market is promising. The ernment expects about Om in fabrication orders for offshore oil and gas develop-ment in the coming year. Twenty devolopment plans off-shore are likely to get the go-ahead from the Department of

Oil exploration is also moving around to the west of Scot-land from the northern North Sea. The technological challenge will be to produce equip-ment to operate in waters much more unfriendly than the North

The west coast of Scotland is also desperately hoping for the benefits which such oil dis-coveries could bring to the wes-tern Highlands, Argyll and Ayrshire in terms of new support

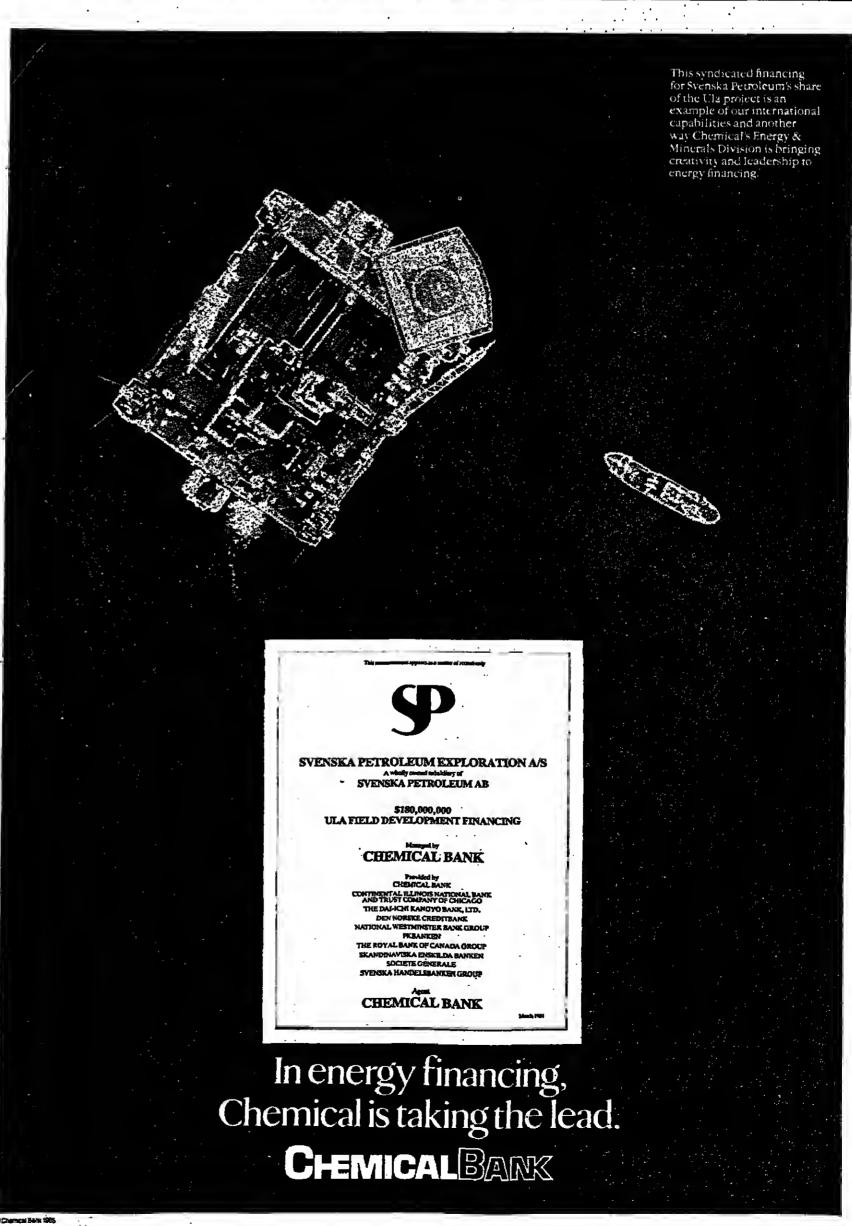
#### Successes

Three of Scotland's four fabrication yards in fact now have work after a year of some un-certainty. Highland Fabricators and Medermotts, both near and Mcdermoto, both hear Inverness, have a part of the £2,514m in fabrication orders for Marathon's Brae "B" pro-ject. The RGC yard at Methil in Fife is working on Total's Alwyn field.

The technological successes

are there. The planners say Scotland needs more of them. Companies already demonstrat-ing their ability include the Glasgow-based Weir group with a downbole pump that has already won export orders from Libya, Algeria and the U.S. Osprey Electronics in Aber-deen have developed an under-

water television camera which has sold well to industry. UDL, a subsidiary of John Brown Engineering, have made seabed vehicles to lay pipes and carry out inspection at great depths, Small companies like Elmar have taken on inter-naional giants like Schlumber-By encouraging foreign electronics companies to set up in forth Maritime and the John Wood Group have branched out



# Suppliers rise to the challenge

#### **Production** systems MAURICE SAMUELSON

WHEN THE North See oil rush reached its peak in the 1970s, the engineers who built the drilling and production platforms were deeply influenced by experience in older offshore oil fields. particularly in the

This was reflected in the vogue for steel structures, built at enormous expense and justifiable only by the size of the oil reservoirs lying beneath them.
Since then, the industry bas
matured in two ways: most of
the large fields bave now been developed but the experience along the way means that local expertise can take the lead in tackling the next stage in off-

shore production. Summarising the chellenge to UK suppliers of platforms and equipment the latest NEDO report on the offsbore industry says: "They will have to demontrate a capability to innovate and to remain competitive if they are to maintain their high share of the UK offsbore

geology. They will require new built methods for removing the oil field. and gas, using floating, semi-submersible platforms or remote-controlled well-heads completed on the sea-bed.

In the case of the floating or semi-submersible platforms, the main difficulties are bow to keep them stable in some of the stormiest seas in the world as well as the methods of convey-ing the oil and gas to the refinery or other storage point. vations in the North Sea which will be adapted in future, as well as many new systems on the drawing board ready to be tried out in the next few years. Although UK oilfields already have a few floating production developed by British Petroleum. vessels (FPVs) nearly all of them are converted drilling rigs or tankers rather than purtansport system, it consists of advantically positioned vessel.

initially produced from the The ship, with powerful converted drilling rig Transtructers fore and aft, is able world 58, which has been to locate and remain stationary replaced by Deepsea Pioneer, over a wellbead and establish

world 58, which has been replaced by Deepsea Pioneer, another modified vessel.

The first major departure from a production platform built on the sea-bed is the fibn tension leg platform on Conoco's fuel to power the vessel and its thrusters. It also stores the oll produced from the oilifield and when it is full, it disconnects from the vessel and its from the well and transports it kept taut by the buoyancy of

sea-bed in 485 feet of water are kept taut by the buoyancy of the platform, which rides on them like e balloon filled with hydrogen. It draws nearly 100 feet of water and is designed to withstand the once in a 100-year storm which, in this part of the sea, includes a

98-foot wave.
The TLP, which was formally opened in December, had had e chequered career since construction began in 1981, and much remediel work had to be done to ensure that it could withstand fierce conditions.

Nevertheless, within months of the first oil flowing from Hutton, Conocco was so satisfied it laid plans for a second TLP, in the Gulf of Mexico, for depths of more than 2,000 feet.

Mr. Harry, Sayer, Conocco's LIE. Mr Harry Sager, Conoco's UK chairman, also sees the TLP's development as "particularly significant in the context of the new frontier ereas to be opened up in the UK."

market."

The first purpose built floating production vessel—a term characterised by smaller fields, deeper water and more complex Conoco's TLP—is that being built for Sun Oil's Balmoral

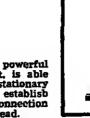
#### Swedish contract

To the chagrin of UK fabrication yards, Sun Oil decided to award the contract to Sweden's Gotaverken Arendal (GVA), whose bid was commercially preferable to those sub-mitted by Highlands Fabrica-

The incident, which rankles so ft to 1,200 ft and could, deeply with UK suppliers, has not deterred them from push6,000 ft. Golar-Nor claims not deterred them from push-ing ahead with radical new designs for the next stage of North Sea production.

One of the most widely publicised is the Swops concept, developed by British Petroleum. pose built stuctures.

For example, oil on the a riser system and subsea wellDuncan and Argyll fields was head.



major North Sea developments

has said that with Swops, BP "are definitely on to a winner."

Even so, the first purpose-built floating production vessel to operate in the North Sea could well be a rival concept developed by the Norwegians.

Designed to operate in deep, harsh water environments, the still unnamed system was designed by Tentech of Oslo. Tho plans were acquired by Norway's Golar-Nor Production, which bopes to bulld and

operate the vessels on contract operate the vessels on contract to oil companies worldwide. One notable feature is a turret mooring system allow-ing the vessel to swivel like a

weather-vane, so reducing roll motions and mooring loads. 1t

Among British designors of cheap floating production systems are Worley Engineer-

ing, Foster Wheeler and a newly

formed consortium of Brown Root-Wimpey Highlands Fabri-

cators and Mitsui Engineering and Shipbuilding. Worley has come up with the

Floating Oilpatch, recommended for marginal fields in the Central North Sea and water

One of Worley Engineering's concepts for a field in the Central North Sea

depths of about 450 feet. The above the water section looks like a ship however, it has e second, underwater bull and, like the Tentech design, incora turret mooring

Steady production can be maintained by baving more than one vessel shuttling between the oilfield and the discharge point. In addition, the Swops vessel can carry out cheep extended well tests, an activity for which there is a large and growing market. It is connected to specially designed subsea components.

The latest contender is the semi-submersible production vessel offered by Highlands Fabricators and Mitsui. Called Highlander 6000 it is specifically designed for marginal fields in the central North Sea in the 300 feet to 600 feet water depth range.
The deck would be built by

activity for which there is a large and growing market.

The first Swops vessel, to be built at Harland and Wolff, Belfast, will be used on the small Cyrus field, 150 miles north east of Aberdeen. Expected to begin operating in 1937, it will initially produce 15,000 barrels a day and is expected to recover more than 10m barrels.

An engineer at Bechtel, which bas been involved in most major North Sea developments, Hi-Feb at Nigg Bay and the hull by Mitsui. Both main omponents would then be wet meted " et sea. If ordered for the North Sea this would be carried out in Cromarty Firth. However, with an eye on export markets, Hi-Fab stresses that this can be done anywhere in the world.

#### Steel frame

Unlike Swops or the Norwegian floater, the Highlander resembles e square drill-ing rig rather than e ahip. Its buil is a rectangular steel frame well, presenting new challenges surmounted by eight cylinders and opportunities for equipment which support the deck. The suppliers.

designers say it aims to "maximise ease of fabrication and minimise cost and construc-tion time while meeting the strictest safety regulations and maintaining good motion characteristics."

Parallel with floating systems, greater attention is also being placed on subsea production facilities. These are already established in the North Sea to produce extensions from existreservoirs.

They can be linked by flow-lines to fixed or floating platforms and can comprise single wells or e number of wells linked by a template and mani-fold into a single system.

The first commercial example

The first commercial example was the Underwater Manifold Centre (UMC) developed by Esso for the Cormorant field, 100 miles north east of Shetland, operated by Shell.

In future, sub-sea facilities are expected to become the sole method of exploiting new, small fields in deep water where it is fields in deep water, where it is difficult to control production

from the surface.

A logical extension of this trend would be to place process equipment on the seebed as well, presenting new challenges PROFILE: ALICK BUCHANAN-SMITH, ENERGY MINISTER

# In the thick of it

BRITAIN'S Energy Minister, Mr Alick Buchanan-Smith is, unlike his boss Mr Peter Walker, popular in the oil

industry. Mr Walker, pre-occupie Mir Walker, pre-occupied with the coal strike and, it is said, suspicious of ell companies since his ministerial dealings with them in the 1973 oil crisis has given little of his personal time to either the industry's ceremonial or administrative demands.

That has left a large gap which Mr Buchanan-Smith, 52, an Aberdeen MP from the oil industry's beartland has been delighted to fill. But as it has delighted to fill. But as it has turned out, Mr Buchanansmith has had almost as turbulent a time of late with the oil business as Mr Walker bas had with the miners.

At his most fluent and expansive when leading an export drive or proclaiming the excellence of British goods, Mr Buchanan-Smith is inclined to play the straightest

clined to play the straightest of bats to political geoglies like: is BNOC good for Britain? Perhaps his finest hour, or

Perhaps his finest hour, or hour and a half, came in December when, grilled by Commons Energy Committee about his handling of oil prices, he managed, without breach of courtesy or trace of burnour, to say absolutely nothing at all.

The rumpus had begun with the minister's decision, last July, to write to the oil companies asking them to help prop up the price of crude. Although British ministers have for years been pursuing the same onds by more subtle and deceptive means, it was characteristic of Mr Buchanan-Smith to take the bull by the horns and then



Alick Buchanan-Smith:

Britain. politics in the first place not out of some strong ideological conviction, but because he enjoys "public service." At Cambridge, where he read economics under the supervision of devout Keyneslans, he preferred rugger to politics and debating.

He left Cambridge expect-ing to run the family farm and dairy business—Cockburn and dairy business—Cockburn Farm's milk and cream is the Buchanan-Smith family label —but found himself pressed into service to fight Willio Hamilton, the fiery Fife republican, in the 1964 general election.

Five years later be was rewarded with a safe Scottish seat and by 1974 he was front-bench spokesman on Scottish Affairs. Whether it was inexperience or high principle which led two years later to a clash with Mrs.

. . . . . . . . . . . .

Thatcher over the party's U-turn against devolution, be chooses now not to comment. In the opinion of colleagues, Mr Buchanan-Smith's brief rebellion against the party leader has cost him dear-keeping him one large step outside the Cabinet, although he could yet make it there under the glow of the rising star of Mr Walker. Certainly be likes being a

certainly he likes being a minister; a player rather than a spectator is how he puts it. He sees himself, he says, primarily as a leader and spokesman for the industry his department sponsers rather than as a watchdog er reformer. Asked what Britain should do if the oil price falls he repties, without hestighe replies, without hesita-tion, "adjust the fiscal regime."

He played a similar role at the Ministry of Agriculture, where he negotiated the com-mon fisheries agreement.

Danger of surpluses Accused of adding to the problem of surpluses with a reckless "tood for Britain" approach, he replies: "We put British agriculture in a much stronger position than it would otherwise have been to deal with reforms." Surpluses, he says, were a danger to which he frequently drew

Like other farmers, his own 450 strong dairy herd is now suffering the conse-quences of milk quotas and constrained prices-"a hard road," he ways, especially in his part of Scotland.

Ian Hargreaves

# 1965 '66 '67 '68 '69 '70 '71 '72 '73 '74

Exploration and Appraisal Wells spudded 1965 to 1984

Exploration	1965	'66	'67	'68	'69	270	'71	772	'73	774	'75	'76	777	778	•79	*80	*81	*82	*83	*84	Total
Southern North Sea	10	~_ <sub>20</sub> ~	35		<sub>34</sub> _	32	7	8	7	4	2	3	5	_	-		1	10	10	24	
West of England/Wales	_	_	_	_	2	_	_	_	1	4	2	4	4	3	_	_	_	4	1	1	24
Central North N. Seg	_	_	7	1	8	10	17	24	34	51	72	50	47	31	26	26	48	63	56	78	64
West of Shetlands	_	_	_	_	-	_	_	1	_	8	3	1	11	1	. 3	6	2	2	3	5	4
South of England		_	_	_	_	_	_	_		_		_	_	Z	• 4	_	1	7	. 9	3	20
Sub totalAppraisal	19	20	42	31	44	22	24	33	42	67	79	58	67	37	33	32	52	86	79	111	96
Southern North Sea	_	8	16	7	8	2	_	4	6	2	1	1	_	_	_	_	_	6	13	20	9
West of England/Wales	_	_		_	_	_	_	_	_		ī	1	1	3	_	_	-	_	2	-	9
Central North N. Sea		_	_	_	_	_	4	4	13	31	35	26	37	19	15	21	19	22	25	47	31
West of Shetlands		_	_	_	_	_	_	_	_	_		_	_	-3	_	1	_	_	-	_	4
South of England	_		_	-	_	_	_	_		_	_	_			_	_	<del></del> .	_	_	_	
Snb total		8-	16	<del></del> 7-	8	2	4	8-	19	33	37	28	38	25	15	. 22	19	28	41	67	42
TOTAL WELLS	10	28	58	38	52	24	28	41	61	100	116	36	105	62	48	54	71	114	120	178	1,39
														_					Court	at Jame	- C

Turn-of-the century Liverpool was a powerhouse of industrial activity and invention. There, in 1901, Frank Hornby devised the system of nuts, bolts and girders that we know as Meccano? At the same time, and also on the banks of the Mersey, we were in our adolescence and much too busy to concern ourselves with a toy like Mr. Hornby's.

Eighty-four years on, in our hundredth year, we have no such inhibitions. In the North Sea, our £400 million tower of steel is one of Britain's newest oil production platforms. But it's hardly a plaything-built on a solid base of decades of international oil experience with the best in contemporary British technology and know-how.

What's more, the platform's component parts were assembled offshore in just 23 days. That's a near-record for the North Sea. And not a bad time for the playroom floor, either.

# **Mobil**

# Rich rewards for the risk-takers

#### **Drilling markets** JAMES BALL

EXECUTIVES FROM many of EXECUTIVES FROM many of London's top investment houses were listening intently to the chairman of a drilling company. But this time they were not being asked to put cash behind a new British oil venture. They were listening to how the Houston-based Rowan companies had successfully shifted almost half the value of its world fleet of drilling rigs to the North Sea.

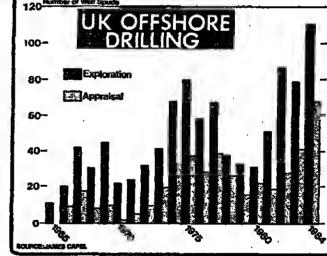
The event says much about tho

The event says much about the past and the future of the drilling business on the UK continental shelf. It is very risky, tinental shelf. It is very risky, but the successful risk-takers in the business — predominantly U.S.-owned or based — see brightening prospects ahead. UK companies still sby away from jostling with the pa\(\frac{1}{2}\): when it comes to offshore mehils deliving gift.

mobile drilling rigs.
According to Rowan chairman
Robert Palmer, his company has
\$315m worth or 48.4 per cent of
its fleet in the North See and
the rest in North Americe. Just

the rest in North Americe. Just a few years ago, the emphasis was on drilling in the waters of developing countries.

What's more, Rowan and Global Marine, another U.S. company active in the North Sea drilling business, have just completed massive building programmes which many in the business thought overambitious. However, there is still no significant UK presence, at least as far as mobile rigs go. In April 1983, stockbroker Hoare Govett found that while Norwegian drilling contractors enjoyed 27 per cent of the regional market, and 77 per cent of their own market, UK contractors controlled only 12 per cent of the overall market and 23 per cent of the UK continental shelf market. Indeed, this share was only sechested by countine companies. Indeed, this share was only achieved by counting companies whose ultimate control or ownership stretches the defini-tion "British." Houre Govett concluded, "Despite 16 years of consistent



drilled in the North Sea. The UK jump in drilling was the main factor behind last year'e all time record in North Sea

well starts.

By allowing companies to offset the cost of exploration wells against their Petroleum Revenue Tax (PRT), the UK budget triggered a drilling boom which was helped on its way by rock bottom day rates for mobile drilling rigs. In addition, companies with addition, companies with Southern Basin gas blocks decided new prices and terms on offer from the British Gas Corporation (BGC) were good enough to start looking for gas in the area again.

#### U.S. action But, as in the past, It was

the major U.S. drilling com-panies which moved in to soak panies which moved in to soak up the action. And, if recently placed rig orders are anything to go by, they will maintain that position. At the turn of the year, tha 50 riga working offsbore the UK included 31 U.S.-ran rigs and just eight rigs run by British contrectors plus two owned directly by Shell. Norwegian contractors had five of the rest. of the rest.

The other major source of offshore contract drilling work

Houre Gevett concluded, "Despite 16 years of consistent and generally expanding activity it is disappointing to see that Britisb drilling contractors beve obtained such a small proportion of the North West European Continental Shelf business when over 50 per cent of the UK sector of the North Sea."

Following the UK budget, published at about the same time as the Hoare Govett study, UK drilling opportunities increased even further, to the point where 1984 saw UK drilling take 58 per cent of the 199 wells begun in the North Sea duriog the year and 85 per cent of all 76 appraisal wells

The other major source of shought one of the world's blegest jackup drilling work is platform drilling, Most UK oil fields bave drilling, Most UK oil fields bave drilling facilities on board and the drilling is platform drilling, Most UK oil fields bave drilling facilities on board and the drilling is platform drilling, Most UK oil fields bave drilling facilities on board and the drilling is platform drilling, Most UK oil fields bave drilling facilities on board and the drilling is platform drilling, Most UK oil fields bave drilling facilities on board and the drilling is platform drilling, Most UK oil fields bave drilling facilities on the North Sea, the Rowan Gorilla II, hoping that It will create a new market; this size jackup can drill in mid-North Sea waters where once semi-such promote of the such platforms can be built for marginal oil fields with eli such concept is accepted, small replatforms can be built for marginal oil fields with eli drilling being done from n jackup. Cantilevering its rig over the platform can be built for marginal oil fields with eli drilling being done from n jackup. Cantilevering its rig over the platform can be built for marginal oil fields with eli us. UK gas fields.

In the U.S. Gulf Coast, Palmer says, the number of platforms with their own drilling facilities on the platform can be built for marginal oil fields with eli spakup. Cantilevering its rig jackup. Cantilevering its rig jackup can dr

operation less risky. KCA Drilling, a British company, recorded a first half profit of £3.9m last year (1983: £1.07m) on its platform drilling, while the float-ing drilling operations—one drillship offshore Spain in KCA's case—made e loss of £2,82m (1983: profit £2,22m).

But because it is riskier floating rig business offers greater profit potential. Indeed, as Petroleum Information's John Hartley notes: "There is a shift towards using floating rigs for an increasing abare of development work previously undertaken only on the platform. Semis are pre-drilling wells and drilling remote subsequents leaving the plotform been wells, leaving the pletform rigs to complete and work over the

This is what attracts those contractors willing to risk \$90m worth of investment — the low end of the price range the low end of the price range for a new rig — in a market still recovering from low day rates. In addition to the pros-pect of exploration work, there are chances to win long term, secure contracts drilling "development" wells from which fields will produce oil and gas,

Moray Firth) and a change in oil company attitudes has to precede a similar shift. However, as one of Rowan's competitors points out, there is

Chemic

Banque

Bangua

The Mis

Nippor

 $\mathcal{F} = \mathcal{F} \subseteq$ 

Banco d

Tokai Sa

Chemica!

Bangue B

HE WITT

esugue a

ع مەردالا

Clieis

some doubt as to whether the UK Energy Department will allow oil companies to build lighter and cheaper platforms given the corresponding cut is construction work this will

It is significant that most drilling companies prefer to provide "off the record" information about market prospects. Back in the glory days of 1981 when an offshore rig could command a rate of ever \$100,000 e day, contractors would brag about their rates. Today they prefer to keep quiet about them and talk about unilisation, Following a building boom, rates plummeted to the low \$20,000s and utilisation fell with rates.

Average rates for semi-submersibles in the North Sea are in the mid \$30,000s for all but the most advanced semisubmersibles. In the summer, when demand for frontier drillwhen demand for frontier drilling picks up, more sophisticated rigs can count on up to \$65,000 a day for a few mouths before they have to return to less challenging work. And while few long term charters will be on offer, rigs will be kept working. If this scenario holds rates will slowly creep up about \$10,000 a day on average until \$10,000 a day on average until 1987 beyond which no one is

#### Rising oil price

For gas drilling the picture is different. The price of UK gas—at least to the producers—is rising. Also, with the giant gas fields of the 1960s running down, many small fields must be discovered and deve loped just for Southern Basin development wells from which e fields will produce oil and gas.

Rowan, for example, has biggest jackup drilling rigs to the North Sea, the Rowan Gorilla II, hoping that it will create a new market; this size lackup rigs is alone achieve the dream of several of companies and add, on top of this, the 1bu cubic fit eday to have come from importing Norway's Sleipner gas. If Sleipner imports decline, UK-based jackups can expect good pickings.

Either way, the demandance is ackup rigs in ackup rigs in ackup rigs in ackup rigs in ackup rigs.

Either way, the demand for jackup rigs in the UK Southern Basin will remain high and rates should begin to creep into the \$30,000 a day range — as those for the larger rigs already do. With the U.S. Guif enjoying a high jackup utilisation rate (91) high jackup utilisation rate (91 per cent) the chance of jackups fooding from the world's largest rig market into the North Sea and depressing rates

# SECTION II - INTERNATIONAL COMPANIES

# **FINANCIAL TIMES**

Tuesday February 12 1985

Canadian

**Pacific** 

earnings

rebound

CANADIAN PACIFIC Ltd, the larg-

est Canadian-owned company, boosted earnings during 1984 fol-

lowing stronger performances in the resource and transport divi-

Group net profit rose to C\$375m (U.S.\$282m) against C\$143m during

the previous 12 months, repre-

senting an increase in earnings per share from C\$1.98 to C\$5.21.

CP Ltd attributed most of the

turnround to a better North Ameri-

can economy, tight cost controls and tax benefits arising from reor-ganisation, mainly of its forest

Oil and gas, mining and minerals,

forest products and steel subsidia-

ries improved. CP Ships reduced its losses substantially, and CP Air re-turned to the black, while CP Rail

maintained a stable income base.

For the past two years the shipping interests and the airlines had

products interests:

shown serious losses.



#### **Buyout for** U.S. Steel division

ebruar: 12 lig

Against the terms of the country of

CONTROL OF STATE

Played a company of the property of the proper

iger of supp

TOORES TOO

Stonger Poky

6. Co 5315. Bally

Not be frequent

e other lette

suffering days

wided price-

to see the

2.5

By Our New York Staff

U.S. STEEL, the largest U.S. steelmaker, said yesterday that it had agreed to sell its agricultural chemical division to a group of managers in a leveraged buyout.

The Pittsburgh-based company gave no financial details of the deal, which is expected to be completed in the second quarter of this year. USS Agri-Chemicals is an integrated manufacturer, marketer and resale distributor of a wide range of agricultural products. In 1983 the group, which has assets of over 5613m, reported sales of just under

\$400m and an operating loss of \$27m due to poor domestic demand

#### Italian bank in UK move

BANCA NAZIONALE del Lavoro, Italy'e largest bank, is establishing a merchant banking operation in

The state-owned bank said it would start operations with an initial capital of \$15m when approval was gained from British and Italian monetary authorities.

This announcement appears as a matter of record only

U.S.\$35,833,333.66

**Chemical Bank International Group** 

Banque Paribas (Barcelona) & Paribas Finance Limited

Banque Bruxelles Lambert S.A.

Banque Paribas (Barcelona) The Mitsubishi Bank, Limited

Nippon European Bank S.A.

B.A.C.-C.O.B. Savings Bank

Tokai Bank Nederland N.V.

Banque Bruxelles Lambert S.A.

The Mitsubishi Bank, Limited

Nippon European Bank S.A.

B.A.C.-C.O.B. Savings Bank Banco de Bilbao S.A.

Tokai Bank Nederland N.V.

Chemical Bank

Banque Franco-Allemande S.A.

Banco de Bilbao S.A.

10 Year Loan

Managed By

Provided By

**Chemical Bank** 

The merchant bank would work

# People Express hit by \$9m shortfall

BY PAUL TAYLOR IN NEW YORK

ments. The downturn came despite a big jump in quarterly and full-

The results reflect higher costs Airlines said in London yesterday. associated with the airline's recent rapid expansion into new markets, strategy to attack major routes for ket," he said. the first time.

grown to become the 12th largest U.S. airline, said it suffered a \$8.96m fourth-quarter loss comcreased by 90 per cent to \$168.42m from \$88.75m.

The fourth-quarter loss, which was larger than expected, left fullyear net earnings trailing those of pared with \$10.4m, or 57 cents a number of airlines rose from 36 to share, in 1963 on revenues which 123 over the period. more than doubled to \$586.8m from \$288.6m.

Renter | pointing results were due to the cu- over \$1.4bn.

Autopistas Concesionaria Española S.A.

PEOPLE EXPRESS, the fast-grow-mulative effects of the investments ing cut-price U.S. airline, yesterday in 10 new cities since June 1984."

Teported its first quarterly loss for Lymon McLain adds from Longue which failed to the company which is the company which the company which is t year net earnings, which failed to some of the largest "are still strugger of the largest" and the largest "are still strugger of the largest" and the largest "are still strugger of the largest "are still strugger of the largest "are still strugger of the largest" and the largest "are still strugger of the largest "are still strugger of the largest "are still strugger of the largest" and the largest "are strugger of the largest "are still strugger of the largest "are still strugger of the largest" and the largest "are strugger of the largest" and the largest "are strugger of the largest" and the largest "are strugger of the largest "are strugger of the largest" and the largest "are strugger of the largest "are strugger of the largest "are strugger of the largest" and the largest "are strugger of the lar gling to survive, despite the more favourable economic climate," Mr Ed Meyer, the president and chief executive officer of Trans World

The next downturn of the business cycle could wash many aircoupled with the increasingly bitter lines away for good." This could fares war triggered by People Express last year when it switched its in control of the U.S. domestic mar-

"Should that happen," Mr Meyer People Express, which operates said, "the ready entry of new comfrom Newark airport and has petition into the field would be no more likely than when the Civil Aeronautics Board stood guard during the regulatory period. Neither pared with a \$1.33m, or 7 cents a government nor market forces share, profit in the corresponding would be present to function as a period a year ago. Revenues in check on the potential abuses of oli-

gopoly control."
More than 70 U.S. airlines ceased operations and 36 went bankrupt between 1978 and the end of last year. This was when the Civil Aero-1983. Last year People Express reparted net earnings of \$1.65m com-

profitable in the first flush of deregclosely with the group's existing Mr Donald Burr, chairman and ulation," but in the three years to branch operation in London, which chief executive, said: "The disap-

The company plans to split its stock on a three-to-one basis next May, remove the limit on the number of common shares that can be issued and redeem a relatively small preferred stock issue. Macmillan Bloedel, Canada's

largest forest products group, lifted net earnings to C\$19.2m during 1984 compared with C\$2.8m, before extraordinary items, during the previous 12 months, writes Bernard Simon in Toronto.

After payment of dividends on preferred shares the loss per common share dropped from 61 cents to

Most of last year's income accru-ed in the fourth quarter, with earnings reaching C\$13.7m, or 25 cents a share, compared with C513.5m, or 30 cents a share, before extraordinary items, a year earlier. Like other western Canadian

pulp and paper producers, Macmil- third largest personal computer from \$93.0m last year. dented by a 10-week work stoppage by British Columbia pulp mill workers. The company said that high costs continued in pose "serious problems" for the province's forest

cent increase in the fourth quarter

#### **GEC** loses **Telecom** contract

By Guy de Jonquieres in London

General Electric Company as a ma-jor supplier of Monarch private branch exchanges (PABXs), the best-selling in Britain in the past

few years.

Instead, BT has signed a contract for the future supply of Monarchs only with Plessey, which has shared manufacturing with GEC until now. However, it plans to buy far fewer of the exchanges in the year from next April than during

BT reached the decision after calling for competitive tenders from both manufacturers late last year. A BT spokesman said: "We picked the better bid," and added that its action was consistent with its more

the possibility of extending its ex-piring Monarch supply contract in the coming months. But there would be no revision of the current pricing terms, which were based on much larger volumes than BT seems likely to order in the future. GEC will continue to make Mon-

archs for sale overseas and expects to offset the decline in BT purchases through increased produc-tion of larger PABXs. It also sup-plies these to BT, which is under-stood to be considering increasing

BT appears to have over-estimated recent demand for Mon-

STANDARDS RISE IN MAINFRAME MARKET

# IBM sets rivals new challenge

announce its most powerful computer, code-named Sierra.

The Sierra will change the nature of the processor market by setting a new standard for price and perfor-mance, according to Mr Jay Stevens, computer analyst with Dean Witter Reynolds. The new machine was expected

to be introduced at a later date, but when IBM announced a double-capacity disk drive last week, foreasts were revised.

The Sierra is expected to make things more difficult for IBM's competitors in the mainframe com-puter market, the group referred to as the bunch - Burroughs, Sperry, NCR. Control Data and Honeywell.

"This is one more nail in their coffin," said Mr Michael Chuba, analyst with Gartner Group, stock mar-ket researchers. "We've been watching them lose market share to IBM steadily for years, and we expect rest of the decade."

Gartner Group estimates that IBM now controls 76 per cent of the U.S. mainframe market, generally considered the most profitable por-tion of the computer industry. The average mainframe compu-

ter services more than 120 users and costs well over \$1m. According to a report by International Data. out of worldwide computer ship-ments of \$43.9hn in 1983, a third were mainframes.

> The most powerful mainframe in IBM's current range is the 3084Q. which can perform 28.4m instruc-tions per second (mips). This com-pares with IBM's PC/AT, its most powerful desktop computer, which performs 750,000 mips.

Outside estimates of the speed of the Sierre range from 30 mips to as high as 39 mips, while expectations for the price per mip, the traditional

IBM's current mainframes sell not be compared with these prod- iy settlement with the EEC ucts because it will be more pow-

Mr Stevens said the Sierra would take up less space than the 3084 products. model, because it was expected to pack all its power into two central processors paired together inside one "box." The 3084 has four proces-

sors in two boxes. In order to minimise the impact the-line versions of the Sierra well growth. before the cheaper machines are made available. Gartner Group does not expect a basic machine un-

Industry analysts also expect the new model to be on sale very soon

tails of its new products to competifor \$173,000 to \$193,000 per mip, but tors within 120 days of introduction, analysts warn that the Sierra can under the terms of an anti-monopo

> The company will obviously want to attract as many customers as it can before rivals turn out similar

Mr Chuba estimates that IBM could deliver several hundred Sierras this year if shipments start in the third or fourth quarter.

He points out that it will have to start substantial shipments by the on its existing product lines, IBM is fourth quarter if it is to achieve its expected to introduce the top-of-revenue target of 18 per cent annual

companies and the Japanese

A rapid start-up of shipments could make things tougher for IBM's competitors, both the bunch groups Fujitsu and Hitachi, whose

# Compaq strengthens position in PC market with \$12.9m profit

BY LOUISE KEHOE IN SAN FRANCISCO

COMPAQ, the leading U.S. manufacturer of IBM-compatible personal computers, has reported net in-come of \$12.9m, or 47 cents a share, for 1984 on sales or \$329m.

The sales figure represents a 196 per cent increase over 1983, the company's first full year of operation when it reported revenues of \$111.2m and operating income of \$2.6m, or 13 cents a share. Net income for 1983 was 24 cents a share after a one-time tax credit.

Fourth-quarter net income last year was \$6.8m, or 25 cents compared with \$5.2m in the fourth quarter of 1983. Sales were up from

\$52.2m to \$112.7m. Compaq will be one of the few survivors of shakeouts in the personal computer industry, analysts predict. The company ranks as the supplier after IBM and Apple. It is widely thought likely to be the subject of a takeover bid this year. "We expect 1985 to be another

good year for Compaq," said Mr Rod Canion, company president. "The first quarter of 1985 is expected to be seasonally lower than the fourth quarter of 1984 for the indus-try, and we expect to see that sea-sonality reflected in lower first-

IBM's domination of the personal computer market has, however, proved to be a major problem for Tandon, the largest U.S.-based maker of disk drives. The company reported losses of \$15.3m for the quarter ended December 28, compared with a net income of \$9.3m for the same period in 1983. Sales for the quarter were \$90.6m, down

According to the company, op erating results were substantially affected by additional inventory reserves and downward price adjusttotalling approximately

Last month Tandon announced that IBM had cancelled orders for floppy disk drives, which repre-sented 58 per cent of the company's business last year. IBM bas agreed to purchase newer products from Tandon, but the volume shipment will not occur until later in the year. The company said Tandon's income would be affected for the remaining three quarters of fiscal 1985.

Tandon's shares were trading at \$6% on Monday. The change in the company's fortunes has taken its stock price from a 1983 high of \$42% to a high of \$20 last year and a low of \$5 in December 1984.

#### Soo Line wins court ruling on railway bid

By Our New York Staff

A FEDERAL court in Chicago has ruled in favour of the Minneapolisbased Soo Line Railroad in the bidding for the bankrupt Milwaukee. St Paul and Pacific Railroad, which operates a number of mid-western routes from Chicago.

The \$571m bid from Soo, which is majority-owned by Canadian Pacif-ic, is substantially less than the ri-val \$786m offer from Chicago & North Western, but the judge ruled that a combination with CNW would have hampered competition and led to the abandonment of too much track.

The court decision was followed by a dramatic slump in the shares of Chicago Milwaukee, the parent of the bankrupt railway. On the New York Stock Exchange, the share price fell by \$24.50 to \$149.75

### products industry. Sales rose to C\$2.1bn last year.

BRITISH Telecom has dropped the

exacting recent procurement poli-

BT is still discussing with GEC

BT said it had kept Monarch or ders for the coming year to a bare minimum, though the level might be raised later. Its new contract with Plessey - the value of which has not been disclosed - is believed to cover about 600 exchanges.

That compares with the roughly 2,500 Monarchs which it has or dered in the current year and about 8,000 purchased in the year to last

archs and to be holding sizeable unsold stocks of the exchanges. More than 10,000 have been sold, but BT orders to date total about 16,000.

orders to date total about 16,000.

BT, which developed Monarch in its own laboratories, has sole rights to sell it in the UK. Although it was widely considered one of the most advanced exchanges of its kind when launched in 1980, it has recently found in 1980, it has recently faced competition from

This announcement appears as a matter of record only

New Issue

Canadian \$100,000,000



# Export Development Corporation (An Agent of Her Majesty in right of Canada)

111/2% Notes Due December 15, 1989, Series RC and 100,000 Warrants to purchase Canadian \$100.000,000 111/4% Notes Due December 15, 1989, Series SC

Issue Price of the 111/2% Notes Due December 15, 1989, Series RC: 100% Issue Price of the Warrants: Canadian \$16

Wood Gundy Inc.

**Amro International Limited Banque Nationale de Paris** 

Commerzbank Aktiengesellschaft **Daiwa Europe Limited** 

**Dominion Securities Pitfield Limited McLeod Young Weir International Limited** 

**Morgan Guaranty Ltd** 

Salomon Brothers International Limited Swiss Bank Corporation International Limited

S. G. Warburg & Co. Ltd. Algemene Bank Nederland N.V. Bank Leu International Ltd. Bankhaus Hermann Lampe

Banque Paribas Belgique S.A. Baverische Landesbank Girozentrale Chemical Bank International Group

Fuji International Finance Girozentrale und Bank der Österreichischen Sperkessen

Kidder, Peabody International LTCB International Lloyds Bank International Mitsui Finance International Nesbitt, Thomson Sal. Oppenheim jr. & Cie. Pierson, Heldring & Pierson N.V.

J. Henry Schroder Wagg & Co. Sumitomo Trust International Westdeutsche Lander

County Bank DG Bank

IBJ International

First Interstate Limited

BankAmerica Capital Markets Croup

Bank Cutzwiller, Kurz, Bungener (Overseas)

**Orion Royal Bank Limited** 

Banque Bruxelles Lambert S.A.

**Credit Suisse First Boston Limited** 

**Deutsche Bank Aktiengesellschaft** 

**Kredietbank International Group** 

Samuel Montagu & Co. Limited

**Morgan Stanley International** 

**CIBC Limited** 

Banque Générale du Luxembourg S.A. Banque Paribas Capital Markets H. Albert de Bary & Co. N.V. Bayerische Hypotheken- und Wechsel-Bank Berliner Handels- und Frankfurter Bank Berliner Bank Copenhagen Handelsbank A/S Citicorp Capital Markets Group Crédit du Nord Dai-Ichi Kengyo International

> Drexel Burnham Lamber Enskilda Securities inaviska Enskilda Limited :haftliche Zentralbank AG Handelsbank N.W. (Overseas) Ltd. Hessische Landesbank

Kleinwort, Benson F. van Lanschot Bankiers N.V. Midland Doherty Mitsubishi Finance International The Nikko Securities Co., (Europe) Ltd. Nomura International Richardson Greenshields of Canada (U.K.) Schoeller & Co.

Société Générale de Banque S.A. Standard Chartered Merchant Bank Westdeutsche Genossenschafts-Zentralbank e.G. Yamaichi International (Europe) Yasuda Trust Europe

For further information about subscription rates in Scandinavia, please contact Mr. Ejvind Pedersen in Copenhagen:

01-13 44 41

Bank of America, Baltica-Nordisk RE, Benzon & Benzon, Burmeister & Wain Skribsvarrit A/S, Burmeister & Wain Scandinavian Contractor A/S, Bursinformation ApS, Carlsberg Breweries, Cerekem A/S, C&G Banken A/S, The Chase Manhattan Bank N.A., Copenhagen, A/S Cheminuva, Christian Rovsing International A/S, Christiani & Nielsen A/S, Citibank, N.A., Codan Forsitring, Control Data A/S, Danish Steel Works Ltd., Danmarks Sparelassetrening, Dansk Oile & Naturgas A/S, Den Danske Bank, Den Danske Provinsbank A/S, DFDS A/S, De Forenede Bryggerier A/S, Finansleringsinstituted for Industri og Håndværk, A/S M. Fess Electric, Fuze Kalk, Grosserer Socjetetet, Gutenberghus, Handeisbanken, A/S Heffesens, J. C. Hempel's Skipsfarre-Fabrik A/S, H. Hoffmann & Senner A/S, Jysko Bank, Kemp & Lanritzen A/S, Kongskilde Koacernselstab A/S, The Bank of Copenhagen, Kobenhavns Fondsbers/Copenhagen Stock Exchange, Larsen & Nielsen Constructor Holding A/S, LK-NES A/S. Magasin Du Nord, McKinsey & Co., inc., Monberg & Thorsen A/S, Nea-Lindberg A/S, Northern Feather International Ltd., Olivetti A/S, Pedershaab Maskinfabrik A/S, Rank Xerux A/S, A/S Thomas The. Sabroe & Co., Sadolin & Holmblad A/S, Simensen & Weels Eff. A/S, Sparekassen SDS, Storne A/S, Superios a/s, Topsik-

"What's special about these

Danish companies?"

ARLIVOGRADOR, ADROITORI EXPLORA DOMARIOS, ARLICOMERCA, ADDERSONO & M. D.S., Bank of America, Baltica-Nordisk RE, Benzon & Benzon, Burmeister & Wain

ring, Toyota Danmark, Taborg Breweries. They are all regular readers of the FINANCIAL TIMES • European Edition

mensen & Weeks Ettl. A/S., Sparekassen SDS, Storne A/S, Superios a/s, Topsik-

This announcement appears as a matter of record only.

January 1985



# THORN EMI Film Finance PLC

Offer for subscription of up to: £18 million 15% Subordinated Unsecured Loan Stock 1994.

54,000 Cumulative Preference Shares of £1 each. 3,600 "A" Ordinary Shares of 1p each.

The company has been successfully capitalised by issuance of the above.

Bank of America International Limited acted as financial advisers to the company.



**BankAmerica Capital Markets Group** 

U.S.\$250,000,000 te Subordinated Capital Notes due August 1996 Citicorp Overseas Finance Corporation N.V.

CITICORPO Notice is hereby given that the interest payable on the relevant Interest Payment Date, February 25, 1985, for the period November 14, 1984 to February 14, 1985 against Coupon No. 2 in respect of U.S.\$50,000 nominal of the Notes will be U.S.\$1,140.32.

February 12, 1985, Landon By: Citibank, N.A. (CSSI Dept.), Agent Bank

And the state of the C

#### ENERGY RESOURCES & SERVICES INCORPORATED

31st January 1984 \$6.89 per share (unaudited)

STOCKHOLDERS FAR EAST INVESTMENTS INC. Net Asset Value

31st January 1984 \$2.62 per share (unaudited)

**Nationale** 

U.S. \$50,000,000

12 per cent. "A" Notes due 1990

U.S. \$50,000,000

12 per cent. "B" Notes due 1990

Algemene Bank Nederland N.V. Swiss Bank Corporation International Limited

**BankAmerica Capital Markets Group** 

and 50,000 Warrants to purchase ----

Investeringsbank

### INTERNATIONAL COMPANIES and FINANCE

# Montefibre to seek listing on Milan bourse

The plan, which is still at a production. preliminary stage, comes just as Montefibre is preparing to announce a L10bn (\$5m) net profit for 1984, the first time the company has been in the black

rationalisation and restructuring concentration instead on exercise which has seen the "strategic" products—acrylics number of employees drop and polyester filaments and from 27,000 in 1977 to just staples.

a subsidiary of the Montedison group, is to sek a listing on the Milan bourse.

Handle Hotes settly, and also in order to comply with the second half of the European Commission's plan to reduce excess capacity and concentrate

Montefibre, which last year accounted for 40 per cent of the 600,00 tonens of fibre production in Italy, has closed down four of its eight plants The company, 57 per cent owned by Montedison, has finished the bulk of a major rationalisation and restructuring exercise which has seen the "strategic" products—acrylication and restructuring exercise which has seen the "strategic" products—acrylication and restructuring exercise which has seen the "strategic" products—acrylication and restructuring exercise which has seen the "strategic" products—acrylication and restructuring exercise which has seen the "strategic" products—acrylication and restructuring exercise which has seen the strategic and the strategic a

Last year Montefibr had group The restructuring was turnover of L865bn, up more required because of the crisis than a quarter on 1983. Group

MONTEFIBRE, Italy's largest (and overcapacity) in Europe's operating profit came to L147bn, producer of man-made fibres and man-made fibres sector, and also but heavy debt servicing charges in order to comply with the and depreciation write-downs group, is second half of the European reduced net profits to L10bn. Commission's plan to reduce This contrasts favourably with Montefibre's 1983 loss of

> Montefibre's total debt is around L500bn, but work is pressing ahead on a plan to reduce financial charges. Tha exercise will be made some-what easier as Italian banks own 33 per cent of Montefibre. But the most important element in the debt restructuring plan will be a stockmarket list-

plan will be a stockmarket list-ing and public share issue (the range of figures being talked about is from L50bn to L100bn). Discussions are already under-way, but Montefibre is unlikely to gain a quote before late this year or 1986.

Sig Giuseppe Tramontana, Montefibre's chairman who is also president of Assofibre, Italy's synthetic fibres manufac-turers' association, said yesterday that Montefibre last year invested L30bn in modernising its Porto Marghera acrylics plant near Venice and in preparing the Acerra plant near Naples for production of non-textile products such as poly-mers (resins). The same

amount is being spent this year.
The Montefibre strategy for 1985, said Sig Tramoutana, is to diversify away from polyester and acrylic, reduce energy costs by modernising plants and reduce debt levels.

reduce debt levels.
At present, Montefibre's L500bn total debt contrasts with L200bn of shareholders' funds

last year Spain was the top foreign consumer of Montesbre products, buying L120bn of fibres from the group's Spanish plant. China was the second largest buyer, at L90bn, while the UK came third, at L55bn. The Middle East accounted for L45bn, Comecon countries L40bn (of which Russis was L28bn), France L31bn, South Africa L20bn and West Gen. Africa L20bn and West Germany L20bn.

The Italian synthetic fibres sector as a whole achieved a irade balance of L500bn. Sig Tramontana says Italy has 25.2 per cent of Europe's synthetic fibres sector (up from 23.6 per cent in 1983) and around 5 per cent of the world market (against 4.7 per cent).

### Bigger payout and scrip by AGA as profits surge

BY KEVIN DONE, NORDIC CORRESPONDENT, IN STOCKHOLM

AGA, the Swedish industrial gas group, increased profits last year by 23 per cent to SKr 720m (\$78.3m) from SKr 585m in trial gas group—rose by 17.8 1983 on group sales up 12 per cent to SKr 5.60n and is to operating income for this sector raise its dividend to SKr 11 per rose, by 16.8 per cent to share from SKr 10. share from SKr 10.

At the same time it is carry- Sales of Frigoscandia, the ing out a two-for-one share split refrigeration and cold storage is making a one-for-two

earnings. AGA said the dispen-station bad been given to enable it to fulfil a pledge given to investment company, worth foreign shareholders in a new more than SKr 600m.

1983, while profits before taxes

subsidiary, increased SKr 1.4bn from SKr 1.2bn.

received dispensation to raise AGA acquired control of payments despite the Government's dividend fraces of 1984 steel, hydro power and inter-national trading group fallow-ing a series of sbare purchases in Uddeholm and Tresor, an

share issue in 1983. AGA said that Uddebolm.

Operating income rose to SKr 2.3bn and a workforce of
SKr 807m from SKr 684m in with annual sales of some 2,900, would be included in the and allocations to reserves increased by 45 per cent to SKr sheet from the end of 1984 and 680m, belped by extraordinary profits of SKr 42m.

#### Pirelli in UK electronics deal

PIRELLI, the leading Italian the David Systems stake is \$2m tyres and cables group, bas: The two acquisitions are part bought: majority control of of Pirelli's developing interest Focum the UK-based electronics of Pirelli's developing interest in putting together a group of fibre optics companies involved also announced that it is taking a 10 per cent stake in another fibre optics and electronics manufacturer, David Systems of Litel, a specialist in local area California. The price pald for network transmission.

#### Sandoz buys U.S. special chemicals unit

By John Wicks in Zurich

SANDOZ, the Swiss chemical group, has agreed in principle to acquire Master Builders, a subsidiary of Martin Marietta, the U.S. aerospace and building materials group. Master Builders, which had a 1984 turnover of about \$150m,

is a leading manufacturer of special chemicals for the building industry. These include cemcot additives, surface pro-tection materials, plastic coatings and special mortars.

Sandoz will take over Master Builders' 12 production units in the U.S., as well as its Cleveland research laboratories and foreign subsidiaries.

The move means a considerable expansion of Sandoz's activities in the construction chemicals field, which it entered only three years ago, looking for new applications for exist-ing products.

#### Swiss bank opts for London

By Anthony McDermott In Geneva

SWISS VOLKSBANK is to phase ont its wholly owned subsidiary in Luxembourg in favour of opening a branch in London.

According to Mr Walter
Ruegg, management chairman,
the move to London had been under consideration since 1982. "The opening would introduce a powerful impetus and new direction in our foreign business

policy," he said.

The capital assets of SwFr
1bn (\$360m) of the Luxembourg
operations would be transferred to London. Swiss Volksbank's group profits rose by 20 per cent to SwFr 75m last year.

. NOTICE TO HOLDERS OF ITO-YOKADO CO., LTD. 5%% Convertible Debeatures Due August 31, 1998

5%% Convertible Debentum Due August 51, 1996

MO-YOUADO CO. LTD.

heled: February 12, 1985

#### Tengelmann in C\$145m stores takeover

By John Davies in Frankfurt

TENGELMANN, the privately-owned West German super-market group, is building up its foreign operations with a takeover of 93 shops and other assets from Dominion Stores in Ontario, Canada, in a deal worth about C\$145m worth al (U.S.\$109m).

The deal is being conducted hy the Canadian subsidiary of Great Atlantic and Pacific Tea Company (A&P), the U.S. supermarket chain in which Tengelmann has a 52 per cent

Tengelmann operates super-market chains under various names in West Germany, runs names in west termany, rutes tha Loewa sheps in Austria and took a majority stake in the Hermans chain in the Netherlands last month.

A&P, with more than 1,000 stores in the U.S. and Canada, makes up well over balf group sales which totalled about DM 27bn (\$8.3bn) in the year to last June.

Controlled and largely owned by Herr Erivan Hanb, Tengelmann has been building up its stake abroad as a counterweight to its West German activities.

Herr Hanb has complained loud and bitterly about the West German scene, claiming that too many stores were uneconomic and that the Cartel Office stands in the way of rationalization. rationalisation.

Dominion Stores has been struggling in recent years to regain its former spot as Canada's leading supermarket

In the six months ended September, 1984 Dominion's wholesale and retail operations lost C\$24.0m on sales of C\$2.2bn. Revenues have fallen each year since 1981.
Dominion failed to move into generic " no-name " brands as rapidly as its competitors, and took longer to set up a wholesaling operation.

A number of management and organisational changes have so far failed to turn tha group around. Dominion sold 90 stories in Quebec four year ago, and recently began to franchise several of its smaller units in Ontario.

# Toyoda to acquire 50% of French machine tool group

BY DAVID MARSH IN PARIS

THE French Government has Japanese machine tools group, to take effective control of H. Ernault Somua, the loss-ridden company which was once France's most important lathe

Following agreement of a salvage plan which bas been under negotiations for several weeks Toyoda, which is part of the Toyota motor concern, is to take a 50 per cent stake in a new company set to relaunch

French interests in the form of Sofirino, a subsidiary of tha Industrial Development Institute, and the Schneider group, the previous owners of HES, will take 30 per cent and 20 per cent respectively. The new company's capital is expected to total FFr 100m initially, to be raised later to FFr 120m (\$13m).

The plan is expected to ingiven approval for Toyoda, the volve large workforce cuts in larganese machine tools group. HES's 1,200 staff. The company ber after losing FFr 239m in 1983 and absorbing FFr 400m in government bail-outs over tha past two years. The Toyoda takeover became

inevitable after several French groups, including loss-ridden car-manufacturer Renault and government-supported machine tool maker Intelautomatisme declined to take HES under their

Because of worsening losses in French heavy industry, the French Government over the last year has been forced to tone down its traditional hostility to Japanese takeovers of domestic companies. This was illustrated, above

Bahr

ZHARY FRING

2.1

C1004 11777

ganty ( 1264 Pr 10 apor

RO-YOKAD

Ber Com Co

all, by last year's absorption of the bankrupt French subsidiary of Duniop by Sumitomo Rubber.

### **Manufacturers Hanover** makes Spain's 'top ten'

BY DAVID WHITE IN MADRID

banks six years ago, a foreign bank bas made it into the sec-tor's "top ten" for profits, according to figures due to be

Manufacturers Hanover Trust, which has only two branches in Spain, ranks number nine after a 32 per cent increase in pre-tax profits to Pta 3.66bn (\$20.5m)

Sr Jose Garay, the bank's general manager, said the bank had gained from the sbarply ower cost of funds on the interbank market and bad increased its peseta loans by 40 per cent, taking business from traditional clients of the main Spanisb

The preliminary figures show an unusually sharp diversity in profit trends among both

FOR THE first time since Spain foreign and domestic banks, opened it doors to international marked most notably by the disappearance of Banco His-pano Americano from the top earners, owing to the cost or shoring up its industrial bank-ing offsboot. The bank, which published shortly by the recently shocked the banking country's supreme banking world by omitting its dividend, council.

Manufacturers Hanover Trust. Pta 13.6bn in 1983.

Some other foreign banks produced steep increases, with Bank of America raising profits by 77 per cent to Pta 2.47bn and Credit Lyonnaise more than doubling its earnings to Pta 753m.

At the other end of the scale, Deutsche Bank suffared a beavy Pta 406m loss, up from Pta 49m the previous year.

The biggest loss-Pta 2.46bn —was registered by the former Rumasa-controlled Banco del Oeste, recently taken over by Banco de Bilbao,

# North American Quarterly Results

						<u> </u>	<u></u>	
KROGER Superinerkots			TEXAS EASTERN Gas pipelines, ell			WASHINGTON GAS LI Utility	CHT .	
Foorth quarter	1584	1963	Fourth quester	1984	1983	Pourth quarter	1984	1991
Revenue	3.87bn	3.78ba	Revenue	1.60ba ·	1.38be	Revenue	218.200	205.5m
Net profits	58.04m	41.9 <b>0</b> m	Net profits	73.20	29.1m	Het profits	14.770	14.44
Not per share Year	1.25	0.95	Not per share	1.39	0.56	Het per share	0.89	0.95
Revenue	16. <b>33b</b> n	15.24bn	TRW			Revenue	801m	815.7a
Not profits	158,63m	127.00m	Auto parts, electropies			Not profits	40.780	30,550
Net per shere	3.49	2.7	sens her of energonese			Net per stere	2.45	2.13
•			Fourth quarter	1984	1983			
			s dell'un dell'uni	8	3	WASHINGTON POST		
NORTON			Revenue	1.58bm				
Abresives :		-	Net profits	59.5m	52.6bm	Nevropapers & maga		
			Not per shere	1.50	1.41	Fourth quester	1984-85	1963-04
Fourth quartor	1964	1992	Twelve months				\$	\$
Severue	299.2m	287.8m	Revenue	6.06bo	5,480m	Revenue	283.6m	254.30
Net profits	17.4m	17.7m	Net profits	206.ban	205.2m	Net profits	34.62m	28,64
Het per shere	0.87	0.23	Not per share	7.14	5,53	Net per share	2.47	
Revenue	1.2ba	1.12bn	UMON CAMP			Revenue	964,3m	<b>277.7</b> 11
Net profits	60.4m	45.4m	Paper, paperbettes, C	permit of the		Net profits	- 25.59m	64,354
Not per share	3.04	2.45	Fourth querter	1984	1983	Net per share	6.11	4.8
				477.Am	441.7m	WHENLPOOL		
SURIDSTRAND			Reveaue	38.6m	40.2m	Heusehold applience	_	
Aircraft components			Net profits	0.79	0.82	Lienzenber abbereice	<u> </u>	
			Not per share	4.4	0.82	Fourth questur	1984	1983
Fourth quarter	1554	1983	HEF & G					5
_1,						Revenue	693.4	640.1m
Revenue	307m	241,6m	Property, casualty int			Op. net profits	36.5780	31.79m
Net profits	20.62m	1441	Fourth querter	1884	1983	Op. net per share	1.00	0.87
Not per share	1.12	0.77	s area on defeating	8	3			_:_:
Revense	1.04bm	909.3m	Revenue	798.5m	644.5m	Revenue	3,14bn	2,73bt
Net profits	68.41m	44.24cm	Not profits	3.90	47.92m	Op. net profits	189.57m	163.04
							5.18	



New Issue

**Amro International Limited** 

Banque Nationale de Paris

**Daiwa Europe Limited** 

Baring Brothers & Co., Limited

Goldman Sachs International Corp.

**Kredietbank International Group** 

Morgan Stanley International

J. Henry Schroder Wagg & Co. Limited

Orion Royal Bank Limited Salomon Brothers International Limited

Union Bank of Switzerland (Securities) Limited

Westdeutsche Landesbank Girozentrale

This announcement appears as a matter of record only.

February 1985

Bank Brussel Lambert N.V.

**IBJ** International Limited

. Morgan Guaranty Ltd

S. G. Warburg & Co. Ltd.

Nomura International Limited

Société Générale de Banque S.A.

**Banque Paribas Capital Markets** 

**Credit Suisse First Boston Limited** Dresdner Bank Aktiengesellschaft

# INTL. COMPANIES & FINANCE

# Australian Treasurer calls Philippine for more banking licences

AUSTRALIA MAY be ready to welcome more than a dozen foreign banks rather than the six or eight originally envisaged by Mr Boh Hawke's Labor have been envisaged," said Mr Roating.

Edders says it intends to form its own trading hank, Elderbank or eight originally envisaged to be issued than might earlier. The new bank will be rural and trade orientated.

Eventual MAY be ready to tions and the potential benefits they offer unequivocably argue its own trading hank, Elderbank whatever Canberra thinks. The new bank will be rural and trade orientated.

Mr Paul Keating, the Treasurer (finance minister) said in Melbourne yesterday that he would be seeking Cabinet approval for a higher number of banking licences and hoped to name the successful applications by the end of this month. Sweeping deregulation of the banking and finance markets has been one of the main accomplishments of the Hawke government to date.

Mr. Kesting raid lost Necross

Hawke government to date.

Mr Keating said last November that 42 separate applications for new banking licences had been received, involving 19 from foreign banks—including banks from the U.S., Canada, Japan, Singapore, tha U.K., and other European countries.

tool gra

anover

p ten'

"Tha quality of the applica-

Criginally, the government favoured the idea of at least 50 per cent Australian equity in the new banks. But a number of licences seem likely to be granted to 100 per cent foreign-owned banks. owned banks.

 Broken Hill Proprietory (BHP), Australia's largest company, began court proceedings in Melbourne yesterday simed at having its disagreement with Weeks Petroleum, over Bass Strait oil royalties, settled in Australia

owned banks.

Mr Keating said the influx of foreign banks would add to the stability of Australia's financial system and hasten the country's emergence as a significant financial centre.

He also said that Elders-IXL. one of Australia's biggest companies with interests that span hrewing, trade, construction, resources and finance had not started court proceedings in

hrewing, trade, construction.

Last year, Mr Holmes à Court resources, and finance, had not strictly lodged an application for a banking licence but "the bones of what may form a should be settled in Victoria, by proposal."

# Wilson and Horton wins UPP

of the New Zealand Herald, gaining control of United Publishing and Printing (UPP).

The fight between Wilson and the rival publishing group, INL ended when the offer for UPP was raised to NZ\$0 (US\$4.17) per share and the target shareholding increased from the previous 51 per cent to 100 per cent.

BY MARY FRINGS IN BAHRAIN

sector ended 1984 with assets of US\$62.69hn, slightly below the \$62.74hu reported in December 1983.

The 1984 figure, however, was more representative of the overall level of business, with

THE BATTLE between two leading New Zealand newspaper groups for control of a profitable provincial publishing group ended last night with Wilson and Horton, publishers of the New Zealand Herald, so well as New Zealand's two ment stock would be abolished. board switched their support.

INI., the publishers of Wellington's two dally newspapers as well as New Zealand's two Sunday papers and several provincial newspapers had out-bid Wilson and Horton with an government stock would be abolished from February 11, the said that since successive governments had paid cut-rata

Wilson and Horton with an offer of NZ\$9.60 per share, but the Auckland-based Wilson had acquired a large proportion of UPP shares through an offer of NZ\$8.50 cash made last on institutions.

Bahrain OBU assets show fall

vious 51 per cent to 100 per cent.

Earlier UPP's directors had supported the INL bid because Wilson had only heen aiming week.

With the acquisition of UPP, week.

With the acquisition of UPP, was manager for the Australian Mutual Provident Society, said place as the largest newspaper wilson had only heen aiming publishing group in the country.

By Our Johannesburg Correspondent

dealings

KOHLER, the South African packaging company, lost R16.2m: (\$8.2m) on foreign exchange dealings in 1984. Mr Basil Landau, the ehairman, says that the two men involved have resigned, that Kohler's foreign exchange exposure has now been fully covered, and that the loss will amortise over the life BAHRAIN'S offshore banking that the year-end recovery to relatively small balance sheets sector ended 1984 with assets of US\$62.69hn, slightly below of window-dressing. (IBLs) in the OBU figures, of the loans involved.

**National** 

Bank in

the red

THE PHILIPPINES' largest

(PNB), suffered a net less of 1.1bn pesos (U.S.\$51m) in 1984.

The loss was the first ever for PNB which in 1983 turned in a

net profit of 234.7m pesos.

Mr Placido Napa, PNB's president, blamed tha loss on huge loans to mining, manufacturing and transportation companies which could not pay them back.

The loss prompted the Government to recapitalise the bank in January when, wielding

emergency powers, President Ferdinand Marcos raised PNB's authorised capital from 5bn pesos to 25bn pesos. Share-holders' equity in the bank now stands at 6.9bn pesos.

Under its letter of intent to the IMF, the Government has committed itself to tha rehabilitation of PNB. Last year the state Social Security System

primped 1bn pesos into PNB to tide it over cash flow problems. Supporting PNB is considered essential because of its role in agricultural lending.

At the end of January, the troubled Banco Filipino savings

hank was placed under the con-trol of the PNB. However,

Banco Filipino is fighting this in the Manila courts. Such a

move could land PNB with a large number of small accounts and more problem loans.

R16m on forex

Kohler loses

Turnover rose to R361m in 1984 from R291m while operating profits, before interest, tax and foreign exchange losses, increased to R29.9m from R23.5m.

or window-dressing.

Two more Arab offshore banking units (OBUs) entered the market in tha first quarter of the year—the Arab Investment Company (TAIC) and Arab Investment Company (TAIC) and Arab Investment Company (TAIC) and Investment Company ( from branches of Merrili Lyoch and E.F. Hatton to locally-incorporated, subsidiaries of Japanese banks and securities The dividend is unchanged at 53 cents despite earnings fall-ing to 99 cents a share from 102 cents. Kohler is 69 per cent. owned by Gencor, South Africa's second largest mining

#### monthly average assets nearly 7 per cent up, from \$57.3bm to \$61.3bn, For 10 months of 1983. Arab International Bank of Cairo but the departure of Continental Illinois reduced the mimber of reporting banks Japanese banks and securities 102 ce to 76 by the year-end. The Bahrain Monetary Agency (BMA) does not include the Trans-Arabian Investment Bank. house. average assets were well below \$59bn and hit a low of \$55.5bn

NOTICE TO HOLDERS OF ITO-YOKADO CO., LTD.

in July and the suspicion is

remapt to Clame 7(B) of the Company's Tr of detect so of 24th July, 1980 relating to up-mentioned Bonds, police is hereby given

arres hald.

2. Accordingly, the conversion price at high the above-mentioned Bonds may be conrected into shares of Common Stock of the company will be adjusted effective seef March 1, 1966, Japon Tiles C. The conversion price in effect fees such adjustment is Ten STL50 per shares of

Dated: February 12, 1965

NOTICE TO HOLDERS OF. ITO-YOKADO CO., LTD.

6% Per Cent Currency Linked/ U.S. Dollar Payable Convertible Bands Due 1991 spant to Clease (AB) of the Company's Tra d dated and 20th March, 1981 relating to i e-mentioned Bonds, notice is hereby given

sors of the Company resolved to make a fre distribution of starces of its Company Stock; a shareholders of record so of February 28, 1965 in Japan, at the rote of 1 new starce for each is starces hald.

shares held.

2. Accordingly, the conversion price at, which the above-mentioned Bonds may be converted into shares of Compose Suck: of the Company will be adjusted effective and March I. 1966, Japen Time. The conversion price in effect before such adjustment is Yes 389.55 per share of Commun Secok, and the adjusted conversion.

ITO-YOULDO CO., LTD., By: The Benk of Thiyo Trust Company as Trustes

Farm-AG, which is based in R7.47m and turnover rose to Natal, suffered badly in the R51.4m from R46.1m. MCSA nine months ended November 30 from the effects of drought and foreign exchange losses. Earnings per share for the R51.4m from R46.1m.

## **ICI South Africa plans** R8m bail-out of associate

ICI (SOUTH AFRICA) is to spend about R8m (\$4.3m) loss of R7.85m was suffared agricultural chemicals company in which it has a 30 per cent interest. It will buy Farm-AG's retail crop protection divisions for between R6m and R8m and sell its 2.3m shareholding for R2.52m.

Farm-AG which is based in R7.47m and turnovar was to spend to R7.72m from R7.47m and turnovar was to spend to R7.72m from R7.47m and turnovar was to spend to R7.72m from R7.47m and turnovar was to spend to R7.72m from R7.47m and turnovar was to spend to R7.72m from R7.47m and turnovar was to spend to R7.72m from R7.47m and turnovar was to spend to R7.87m and turnovar was to spend to R7.87m and turnovar was to spend to spend to R7.87m and turnovar was to spend to spe

and foreign exchange losses.

Though turnover increased to pear advanced to 196.1 cents from R43.2m a pre-tax from 178.8 cents and the divilogs of R161,000 was incurred dend total was raised to 75 against a profit of R2.2m. In

### This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange. It does not constitute an offer of, or invitation to the public to subscribe for or purchase, any securities.

U.S. \$75,000,000



**GULF STATES UTILITIES COMPANY** (Incorporated in the State of Texas, United States of America)

#### 13% Debentures Due 1992

The following have agreed to subscribe or procure subscribers for the above Debentures.

#### **Credit Suisse First Boston Limited**

**Banque Indosuez** 

**Banque Nationale de Paris** 

**Daiwa Europe Limited** 

**First Interstate Limited** 

Kleinwort, Benson Limited

Salomon Brothers International Limited

Société Générale de Banque S.A.

J. Henry Schroder Wagg & Co. Limited

Swiss Bank Corporation International Limited

Union Bank of Switzerland (Securities) Limited

Application has been made to the Council of The Stock Exchange for the above Debentures with an issue price of 99½ per cent. to be admitted to the Official List, subject only to the issue of the temporary Global Debenture. Interest on the Debentures is payable annually in arrears on 4th March, the first payment being made on 4th

Particulars of the Debentures and the Issuer are available in the statistical services of Extel Statistical Services Limited. Copies of the listing particulars relating to the Debentures have been published and are available during normal business hours up to and including 26th February, 1985 from:

Credit Suisse First Boston Limited, 22 Bishopsgate, London EC2N 4BO

> Cazenove & Co., 12, Tokenhouse Yard, London EC2R 7AN

Company Announcements Office. The Stock Exchange, Throgmorton Street. London EC2P 2BT (until 14th February, 1985)

> Bankers Trust Company, Dashwood House, 69 Old Broad Street, **London EC2P 2EE**

12th February, 1985

All of these securities having been sold, this announcement appears as a matter of record only.

New issue / February, 1985



3,600,000 Shares Echo Bay Mines Ltd.

**Common Shares** (without nominal or par value)

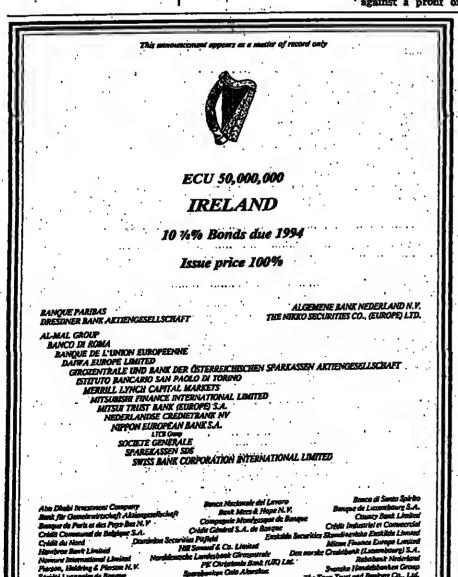
Of the 3,600,000 shares, 2,400,000 shares are being offered initially by U.S. Underwriters and 1,200,000 shares are being offered initially by Canadian Underwriters.

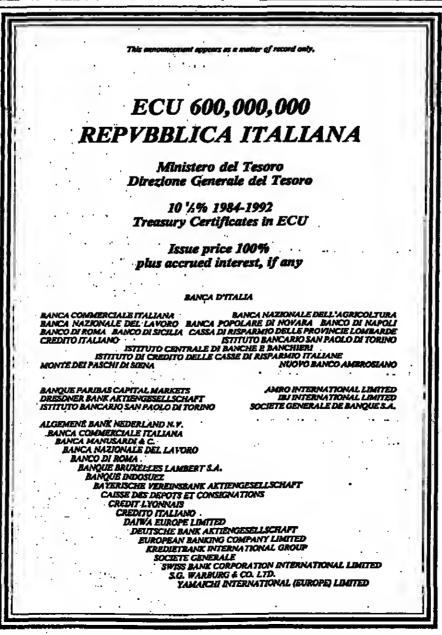
**Salomon Brothers Inc** 

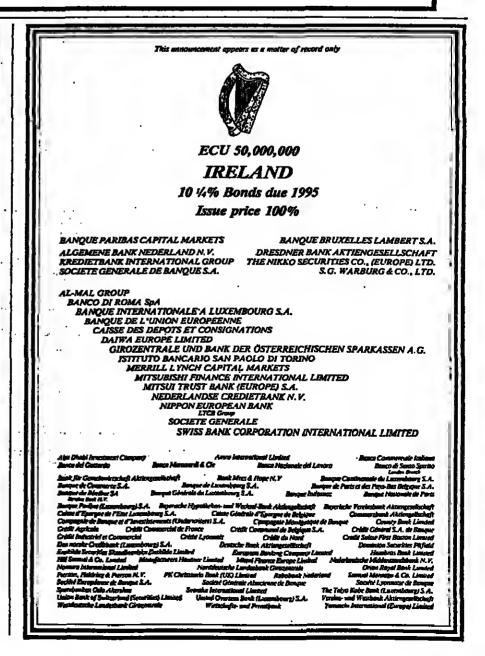
Goldman, Sachs & Co.

**Burns Fry and Timmins Inc.** 

Wood Gundy Corp.







# U.S. volume increases lift Dalgety

VOLUME INCREASES in the U.S. and good weather in Australia have helped push pre-tax prinfits at Dalgety up from £31.3m profits at Dalgety up from £31.3m to £33.2m for the six months in the end of 1984. Despite political and economic uncertainties, particularly those that surround the Common Agricultural Policy, Mr David Donne, chairman in this international merchant, says he remains confident of a good year for the ETNUD.

remains comfident of a good year for the grnup.

The interim dividend has been held at 11p—io the last full year a total of 24p was pald from record pre-tax orofits of £67m.

First half earnings per fi share are shown as 25.1n (23.6p).

Mr Donne says that U.S. comoanies again produced a material increase. in profits. Food distribution business contioues to achieve significant volume increases. During tha half year he aays that distribution facilities have heen expanded in order in improve the service offered.

In Australia, Dalgety Farmers henefited from good weather, and rationalisation benefits continued to accrue in accordance with a merger programme laductrial activities also

a merger programme trial activities also improved on last year's results.

he says. Turnnver moved up hy £285m to £2.03hn. A breakdown of tradiog profits of £47.9m (£44.8m) and turnover oy (£44.8m) and turnover of activity shows: agricultural service and suoply £15.1m (£12.4ml and £478m (£448mt; fond processing and distribution £16m (£13.3m) and £1.08bm activity shows: agricultural service and suoply £15.1m (£12.4m1 and £478m (£448mt; In the UK, Mr Danne says the milling division enjoyed a tice-tifm (£13.3m) and £1.06bn (£820m); cereal processing and compounding £10.3m (£12m) and compounding £10.3m (£12m) and £231m (£277m); and other £6.5m

Crown International Productions, which specialises io making film and video programmes for

corporate use, is enlarging its planoed launch placing oo the Unlisted Securities Market next mooth from 20 per cent of its

A further 8.33 per cent of Crown's enlarged capital will be

crown's enlarged capital will be taken by Reed International, the paper and publishing group, following the sale to Crown of production equipment from Quadrant Television, part of Reed's publishing division.

Reed will receive 500,000 new

Crowo shares at 60p—the plac-iog price for the March 14 6ota

tion—as well as £162,500 in cash. Crown oow plans to place 1.5m shares out of a 6m total in issue, against the previously lotended 1m from e total of 5m.

Esher, is staifed largely by former BBC employes. It made pre-tax profits of some £225,000 to the year to lest September, on turnover touching £1m.

**Enlarged** 

launch

by CIP

equity to 25 per cent.



Mr David Donne, Dalgety chairman

(£7.1m) and £268m (£203m). A hreakdown of turnover hy regioo shows: UKE887m (£867m); Australia £129m (£83m); 11.S. £82fim (£588m); Canade £191m (£147m); New Zealand nil

(£63ml.
At the end of last year the group had short term horrowings of £104.8m (£65.8m) and loan capital of £145.3m (£185ml. Included in these totals, secured borrowings amounted in £1.6m (£5.3m) and £37.2m (£27.3m)

be the company's non-executive chairman.

Specialeyes is hoping to raise ahout £600,000 from the flotation early oext mooth. Ahout 38 per cent of the equity will be floated by Baden-Powell, Chilcott end Co, financial consultaots, and the

shares are expected to qualify for tax coocessions uoder the Business Expansioo Scheme.

The company say it wants to take advantage of the changes which will occur after April 1, when most National Reaith Service subsidies on spetcacles are being withdrawn and reteilers will be allowed to advertise for

were lifted, consumers would heve a wider and more attractive choice, faster service and com-

hares out ...
ssue, against the property of the first time.

Some 1.6m Crown shares are already held hy outside lovestors, and are traded under Rule tors, and are traded under Rule 170 in S2p, the higher 17

A Reed representative is to he invited to join the hoard of Crowo, which expects to contioue worklog closely with Quadrant.

Crown, hased in Claygate, near Esher, is staffed largely hy former BBC employes. It made restrictions in the British market would be a substantial to the U.S. company G. D. Searle.

Mr Gould said that once the restrictions in the British market would be a substantial to the U.S. company G. D. Searle.

Opticians' chain venture

gets Jim Raper backing

FINANCIER Mr Jim Raper is hacking Specialeyes, a new company with plans to establish enational chain of optician's shops, which is being floated oothe over-the-counter market.

Mr Raper's Salat Piran group will own 46 per cent of the new company which will be capitable of the company which will be capitable of the company's noo-executive chairman.

By Specialeyes, a new company mich company in control two listed British companies, Westminster Property Group and Milhury, a house-builder.

Mr Raper has settled his differences with City authorities following three years to 1983 in

Pre-Tax Profits

1980 81 82 83 84

in the market for animal feed following the imposition of milk quotas, and a further cost reducquotas, and a further cost reduction programme was carried out. The agriculture division achieved e result in line with last year, and profits heve resumed an upward trend. The mait division operated in a depressed market with low margins. Grocery products experienced increased demand and this was supported hy hrand and product development. Technical products' export sales nical products' export sales benefited from the strong U.S.

dollar. During last December earlier policy decision was implemented when the remain-ing fresh meet interests in the

lowing three years to 1983 in which he was in dispute with the

which he was in dispute with the Stock Exchange and with the Takeover Panel over the way ho gained control of Saint Piran in 1980.

Drayton Far Eastern Trust had a net asset value per 25p share of 1501p at the end of 1984, com-pared with 1221p a year earlier, and 1181p at end-June 1984.

The final dividend is increased from 0.45p to 0.7p, making e total of 1.1p (0.85p) for the year.

Earnings emerged higher at. 1.522p (0.877p).

against £148,000.

Towles

**Drayton Far East** 

UK were cold. Extraordinary costs of £5.5m, np from £3m, included £4m losses this time from this sale.

In Canada lumber profits were adversely affected by static demand in the U.S., and at the same time the strong Canadian dottar made exporting to Europe difficult. Towards the end of December, lumber demand and prices showed some improvement as U.S. interest rates reduced. The trading activities suffered a reduction in profit in the context of a reset Consider. the context of a weak Canadian economy and U.S. import quotas.

economy and U.S. import quotas.

Pre-tax profits were etruck
after related companies contrihuted fl.8m (£1.5m). These
include £0.6m (£0.4m) in respect
inf a 24.7 per cent holding in
Dalgety Crown Curporators
(New Zealand) soid no
September 2 1984.

Cartal income less expenses

Central income less expenses added £0.1m (took £0.1m) and interest costs increased from £14.9m to £16.8m. Profits were subject to tax of £12.3m (£12.2m) including an overseas charge of frm (f6m). The tax charge represents a best estimate, the directors say. After minorities of \$1.2m

(£0.7m) and extraordinaries, the attributable balance emerged down from £15.4m to £14.2m. Ordinary dividends will absorb f8.5m (same).

The directors point out that if figures for overseas subsidiaries had been translated into sterling at rates ruling on December 31 1984, borrowings

and ettributable profits would have been stated as £273.2m and £16m respectively.

### Manganese rises to over £1.2m

AN INCREASE from £696,000 to f1.21m in pre-tax profits is reported by Manganese Bronze Holdings, the holding company with interests in vehicle manufacture, metal components and aluminium febrications, for the six months to January 31 1985. Mr Dennis Poore, the chair-man, says the husiness improve

ment in Britain has continued through the first six mooths of the current financial year, parti-cularly in the engineering com-panies. This henefit is reflected in a marginally increased turn-over—up from £20.79m to £23.13m—and in a significantly better profit margin.

Discussing future prospects, Mr Poore says the steady, rather than spectacular build-up of activity, confirms better times to

(£30,000), The pre-tax figure was struck after interest charges up from £191,000 to £380,000.

Towles, the hosiery and kult-wear manufecturer, said that it was not eware of any reason for a substantial movement yester-day in the price of its A ordinary non-voting shares, which closed at 76p, up 18p oo the day. Julianas Holdings—N. Irens, director, has called 40,000 ordinary shares of 2p each for a price of £2 per share. He now holds 125,000 ordinary shares.

#### sees sad end to City revolution IN HIS annual statement to

Grossart

hareholders Mr Angus Gressart shareholders Mr Angus Grossart, managing directors of Nuble Grossart, financial services group, reiterates his cooviction that "much of the financial revolution in the UK will end in teara."

Noting that the whole financial contonic materials a radical

Noting that the whole financial sector is undergoing a radical change in structure, Mr Grossart says that "the speed of that change and the lack of any clear seose of direction has encouragedmany in Loodon to adopt a fashioo for conglomeration and a supposed need to undertake that objective at speed and at great expense."

Thre may be scope for a very

"Thre may be scope for a very conglomerates hut most of the current aspirants will fail," he cnrrent aspirants will fail." he says, "and the ground which is vacated by them will he e fertile field of opportunity for those whn have specialist shillities and are willing to work with each other on a basis of co-operation.

"I believe that this will prove to be a much more promising and stable operating formula in the long term than the unfettered. long term than the unfettered pursult of size or the provision of disparate services oo a wall-to-wall hasis," added Mr Grossart. In the year eoded January 31 1984 this private and unquoted concern made pre-tax profits of £2.25m against £1.58m.

£2.25m against £1.53m.

The managing director considers that the year's result is "highly successful." He says that, looking forward frum its hase in Ediohurgh and with its strong preseoce in London, the group faces the future with considerable confidence.

"A marked and positive

"A marked and positive feature of our recent development has been the growth of our activities from our London office and also within the U.S. and Canada," he comments.

#### German Smaller Companies Investment

The offer for sale of 12.5m shares in the German gmaller Companies Investment Trust was over-subscribed by some 1.9

As indicated in the offer for sale document, applications from sub-underwriters were received in respect of a total of 9.38m shares. In respect of the balance of 3.13m ordinary offered applications have been received for a total of 5.85m shares.

Applications from sub-underwriters have been accepted in full, while other applications have been accepted on the fol-

ran spectachar billious of have been accepted on the following hasis:

Start.

First half trading profits showed an increase from £887,000 to £1.59m, and this was after depreciation down from £573,000 to £531,000, leasing, £171,000 to £531,000, and redundancy and £5,000 shares—50 per cent; between 6,000 and 80,000 shares—52 per cent; over 80,000 shares—38 per cent sportrimately. -32 per cent; over 30,000 snares
-38 per cent approximately.
Allocations will generally be
rounded to the nearest 50 shares.
There will be approximately
3,300 allotmeous of ordinary
shares under the offer for sale
-Successful applicants will

Successful applicants will receive warrants conferring, in respect of every five ordinary purchased under the offer for one ordinary share. The warrants will be exerciseable on August 31 in any of the years 1988 to 1995 inclusive et a subscription price of 100p per share (subject to the usual adjustments).

Second Alliance Net asset value per 25p stock unit et Second Alliance Trust stood at 754.7p on Jenuary 31, 1985, compared with 575.5p six months earlier, and 593.8p at end-January 1984.

The interim dividend is lifted from 3.25p to 5p net, and the directors intend to at least maintain last year's final of 8.25p. Net earnings per stock unit were stated higher at 8.01p (5.55p) and estimated earnings for the full year are shown es

W'hampton Steam After incurring losses of £27,602 in the year to March 31, 1984, the Wolverhampton Steam Laundry fell deeper in the red with losses of £28,270, after depreciation of £6,735, in the aix months to September 29, 1984. In the corresponding period in the previous year, first-half profits amounted to £1,096. Turnover fell from £404,541 to £394,062.

The directors say difficulties

The directors say difficulties are still being experienced in an economically depressed area.

#### Wood falls

Wood Ialis

Lower operating profits and an exceptional dehit of £73,600 for the period has left taxable profits of S. W. Wood Group, non-ferrous metat merchant and processor, down from £15-2,000 to £22,000 for the six months ended September 30 1984. Turnover increesed from £8.12m to £8.86m. Almost ali of the fall jo operating profits is attributed in tha central depot at Bow which has been restructured. The directors say this will cootribute a profit in the second half.

F.T. Share Information

The following securities have been edded to the Share Information Service:
Gabte House Properties 103 per cent Conv. Uns. Logn Stock 1995/99 (Section: Property)
Nationawide Building Society 103 per 30/12/85 (Lons—Building Societies)
Williams (Rex) Leisure (Leisure).

LADBROKE INDEX Based on FT Index 982-986 (unchanged) Tel: g1-427 4411

# Nottingham Mfg. depressed by pressure on margins and prices

PRESSURE ON prices and to 18.66p.
Inargins affected results at The directors have resolved
Nottingham Mannfacturing Ce that e resolution be put to the
for 1984, say the directors, on annual general meeting to anthofor 1984, say the directors, on reporting a fall in pre-tax profits from £24.58m to £21.52m—the first decline in progis for four years. There was a fall of £3.37m to £14.35m in the second

Sales grew by £13.84m to £244.52m—the group makes knitted outerwear, hosiery and tufted carpets and its main customer is Marks & Spencer. komer is Marks & Spencer.

Knitwear was the main problem area during the period say the directors, and they point out that the market is becoming "much faster moving." Both carpets and dyeing contributed about the eame as last year, hut also suffered from pressure on margins. They say that trading has been e little better since Christmas because of the colder weather.

The final dividend has been lifted from 4.85p to 5.1p, which raises the total from 6.2p to 6.55p. Earnings per 25p share are shown as falling from 24.63p

annual general meeting to annual rise the company to purchase its own shares. They say they have no plans to exercise this option in the near future, but think it would be useful to heve the

would be useful to heve the facility.

At the trading level profits fell from £23.75m to £20.38m from which depreciation took £6.72m (£6.48m). Investment and other income added £7.88m (£7.24m). Profits were subject to tax of £6.58m (£4.9m), and there was an adjustment arising on deferred tax dehit of £15.48m, against a previous credit of against a previous credit of

Last December Nottingham conceded defeat in a £35m cash offer for Johnson Group Cleaners, with acceptances of 24.88 per cent on the ordinary ahare capital, 20.9 par cent of the employees' equity, and only 11.3 per cent of preference stock. Nottingham retained a stake of 11.2 per cent in Johnson at that stage.

BY KEVIN DONE IN STOCKHOLM

It has a workforce of some 900 and subsidiaries in Canada. Australia and South Africa.

and investments of £92.1gm against £91.46m. Stock came to against 291.46m. Stock came to £26.9m (£24.09m) end dehtors in £21.26m (£17.57m) leaving current assets ahead from £133.12m to £140.33m. Current liabilities again enly included amounts falling due within one year, which rose from £41.49m to £48.4m.

ring!

Fixed assets rose from £38.38m to £41.19m, and net assets came through at £91.94m (£91.64m). The balance sheet total emerged down from £127.85m to £122.43m. Share capital amounted to £20.04m (£19.96m) and the share premium account to £2.6m (£7.98m). Retained profits fell from £99.91m to £94.13m.

At the halfway stage trading profits had dropped from £3.9m to £3.62m, ar. an increase at the pre-tax level, from £6.85m to £7.18m, reflected a £0.6m rise in investment income to £3.56m. Net profits came out little changed et £4.81m, seainst £4.8m. See Lex

serious financial difficulties in the early 1980s.

It ran up heavy losses in 1982 and 1983 hnt is expected to an-nounce profits of about SKr 100m for 1984 on sales of SKr 2.9hn, Its main interests are in ventila-

tion systems, hydraulic equip-ment, pneumatic equipment eod

marine hydraulics.
Two weeks ago, Bahco announced the sale of its 60 per cent controlling stake in Hiab-Foco, maker of hydraulic craces

and transport equipment, to Partek of Finland in a deal worth some SKr 150m as part of its effort to strengthen the

Apple

Recipies Webste Gro

E CP de la company de la compa

A mail remail

The second of th

Star.

**leek** 

by WILLIA

#### **English** and N.Y. Trust

At December 31 1984 net asset value per 25p ordinary share of English and New York Trust, one of the investment trusts managed by Kleinwort Benson Investment Management, totalied 115.4p, which compares with 104.2p.

Not available earnings for the

BAHCO, the Swedish engineering group, is disposing of its UK subsidiary Bahco Record Tools, in a fig.3m huy-out by management and a group of eight to 10 British institutions.

Bahco Record Tools of Sheffield Net available earnings for the Net available earnings for the year moved ahead to £2.19m from £2.02m after tax of £1.18m (£1.43m). Earnings per share were stated at 2.73p (2.52p). Investment income is put at £3.73m (£4.35m) with other income of £155,077 (£71,672). Expenses took £265,279 (£244.095) and interest £240,832 (£708.000). is one of the UK's leading makers of hand tools and had sales of some SKr 250m (£25m) last year and profits of around SKr 6.5m.

and subsidiaries in canada, Australia and South Africa.

The company, previously known as Record Ridgway, was acquired by Bahco to 1981 for around 24.5m. The company made losses in the three years from 1981 to 1983 and Bahco said yesterday it could not meet the group's profitability requirements in the immediate future.

Mr Anders Lindström, Bahco managing director, said hopes of deriving substantial benefits through coordinating sales of the group's Swedish and UK tool companies had not been realised. In contrast to the Swedish tool companies, the UK subsidiary had placed great emphasis on low-priced, high-volume sales and applied to different customer groups from Bahco itself. (£244.095) and interest £240.832 (£708.000).

A final dividend of 1.5p is proposed giving e total for the year of 2.5p (2.3p).

The geographical distribution of the portfolio is UK 31.1 per cent (33.5), North America 47.3 (50.8), Japan 11.1 (7.3), elsewhere 10.5 (8.4).

It has been the board's policy to place emphasis on overseas to place emphasis on overseas investment so that contect of portfolio will he predominantly committed to foreign markets.

AE group improve Results so far this year at AE Group show further improve-ment and this is expected to contioue, Mr John Collyear, chairman, told the shareholders the annual meeting.

He had commented on outlook in the report and accounts emphasising the anticipated becefts from substantial investments in high technology angineering.

#### **Excalibur Jewellery**

Reduced pre-tax losses of £25,000 were incurred by Birmingham-hased Excalibur Jewellery, for the half year to October 31 1984, against £84,000. Turnover moved ahead slightly, from £2.53m to £2.75m.

Stated iosset per 5p share emerged at 0.32p (0.45p). Last time there was a tax credit of £40,000. Reduced pre-tax losses of A &

acquired by Bahco 10 1981 for around \$4.5m. The company is effort to strengthen the made losses in the three years from 1981 to 1993 and Bahco said yesterday it could not meet the group's profitability requirements in the immediate future.

Mr Anders Lindström, Bahco managing director, and hopes of deriving substantial benefits through coordinating sales of the group's Swedish and UK tool companies had not been realised.

In contrast to the Swedish tool companies, the UK subsidiary had placed great emphasis on low-priced, high-volume sales and applied to different customer groups from Bahco itself.

The disposal is part of a farreaching restructuring of the Bahco group, which has been in heen completed.

# DIVIDENDS ANNOUNCED

Bahco to dispose of UK

tools subsidiary for £9.3m

of the limbber of the set and	٠.	Date '	Corre.	Total	Total
C	urrent	of sp	onding	for .	last
pa	yment.	payment	div.	<b>year</b>	year
& P Appledore	0.45	March 15			
		July 1	11		24
ree Dew		Mar 27	3.4	5.7	5.7
chester Ship		April 9	5.5	5.S	5,5
		July 2	4.85	6.55	6.2
Priceint	1.5				
ss Toolsint			0.8		2.15
ideods shown pence pe	r share	net except	where o	therwise	stated.
* Equivalent after a					capttal
reased hy rights and	Vor ac	quisition	issues.	‡ USM	

# STEEL AND VANADIUM CORPORATION LIMITED



& Uoquoted stock.

A dividend No. 21 of 11 ceots e chare being the final dividend in respect of the financial year to December 31 1984 has been declared payable on May 3 1985 to shareholders registered in the books of the corporation at the close of husioess on March 29 1985. This dividend, together with the interim dividend of 6 cents a share declared on August 10 1984 makes e total of 17 cents e share for the year.

The dividend is declared in the currency of the Republic of South Africa. Dividend warrants will be posted from the office of the transfer secretaries on or about May 2

Any change of address or dividend instruction to apply to this dividend must be received by the corporation's transfer secretaries not later than March 29 1985. Shareholdera must, where necessary, have obtained the approval of the South Africao or any other exchange control authorities having jurisdiction in respect of auch

The there transfer register and register of members will be closed from March 30 to April 12 1985, both days inclusive.

In terms of the Republic of South Africa Income Tax Act 1962, as amended, non-resident chareholders tax will be deducted by the corporation from dividends payable to those ahareholders who addresses in the share register are outside the Republic. The effective rate of non-resident shareholders' tax is 15 per cent. The shridged audited consolidated income atetement of the corporation and its subsidiaries for the year to December 31 1984 is as follows:

1983 R000 281 654 R000 450 157 23 328 (440) 23 768 1 413 28 637 2 148 Outside shareholders' interest..... Attributable profit ..... 22 355 S 926 22 355 32 415 Less: Transfer to non-distributable reserve
Interim dividend No. 20 of 6 cents a share (1983: No. 18 of 5 cents e share)
Provision for dividend No. 21 (final) of 11 centa a share (1983: No. 19 (final) of 10 ceots) 3 407 6814 7 501 Retained earnings for the year ..... 20 304 12 134 68 138 770 32.8 15.0 2.19

The extraordinary items comprise proceeds from the sale of Apex Mines Limited shares and excess of insurance claims over related asset book values.

By order of the board A. J. L. PRETORIUS Company Secretary Registered Office: Portion 29 of the farm Schoongezicht Nn. 308 J.S. District Witbank

Transfer Secretaries: Consolidated Share Registrars Limited 40 Commissioners Street Johanneshurg 2001 (P.O. Box 61051, Marshalltown 2107) February 12 1985

Weighted average number of shares in issue during the year Earninga par share (cents) 38.9
Dividend per chare (cents) 17.0
Dividend cover 229

It is anticipated that the annual report will be posted to all registered shareholders nn or about March 18 1985.

(P.O. Box 111 Withank 1035)

Wood Gundy Corp.

These securities having been sold publicly, this announcement appears as a matter of record only. February 1985 **Additional Shares** 

\$38,719,950 (Cdn.)

ECHO BAY MINES LTD.

**3,600,000 Common Shares** 

Of the 3,600,000 Common Shares, 1,200,000 Common Shares have been bought in Canada by the undersigned.

Price \$10.75 per Share

**Burns Fry Limited** 

Wood Gundy Inc.

Of the 3,600,000 Common Shares, 2,400,000 Common Shares have been bought in the United States at US \$8.125 by

Salomon Brothers Inc

Goldman, Sachs & Co.

**Burns Fry and Timmins Inc.** 

# Need for survival brings radical changes at Redman

February D.

After the sale of the engineering subsidiaries Froude Consioe, Froude Engineering, Heenan Drives and Mercia, the company "will have a property portfolio which generates e secure income end e positive cash flow," with an annual rent roll in the order of £750,000.

Redman bas suffered losses since 1981, and had been trying to concentrate on a few core activities and dispose of others. The current disposals mean it has given up earlier restructuring plans involving a large capital injection.

The preliminary statement for the year ended September 30

The preliminary statement for the year ended September 30 1964, also published yesterday, shows that the group redoced its taxable loss for the year from £2.36m to £1.78m, but that the expected second half profit did not emerge. The second six months incurred a loss of £785,000, compared with a £124,000 profit.

The chairman explains that although the group made good

although the group made good progress et Heenan Davies, it experienced further difficulties at both Froude Engineering and tha main subsidiary Frouda Consine, due to a number of major contracts where technical problems resulted in delayed completion. There were also much lower margins than had

heen planned.
At the same time, Mr Laing says, order intake levels con-tinued to be unsatisfactory, with difficult conditions exacerbated by the company's perceived financial weakness.

Turnover for the year fell from £29.37m to £20.24m, from

which gross profits came out at £2.3m against £4.95m. There was a tradiog loss of £928,000 against £1.41m after operating expenses of £3.23m (£6.36m).

The interest charge for the year was reduced from £942,000

year was reduced from £942,000 to £851,000. The chairman saya that there was only a marginal increase in borrowings, but the further erosion of the group's capital base, even before the current set of disposals, resulted in a marked increase in gearing. The net effect of the disposals is a further substantial erosion of shareholders' funds, but the cash receipts will enable the group to repay a large proportion of its borrowings. After the disposals, shareholders' funds are shown at £2.2m' against £5.39m, after taking credit for £5.39m, after taking credit for the daferred consideration of £1.75m on the sale of the sub-

ANNOUNCING details of the disposals which will transform Redman Heenan International from an engineering company into e property concern. Mr Hugh Laing, the chairman, says that "radical changes have been necessitated by the need to survive and to protect the interests of shareholders and employees allke."

After the sale of the engineering subsidiaries Froude Consider, Froude Engineering, Heenan Drives and Mercia, the company "will have a property portfoliowhich generates e secure incoma end e positive cash, flow," with an annual rent roll in the order of £750,000.

sidiaries, less a £0.75m providing sion for trading losses prior to disposal. No account has been taken of any other sums for trading losses prior to disposal. No account has been taken of any other sums for trading losses prior to disposal. No account has been taken of any other sums for trading losses prior to disposal. No account has been taken of any other sums for trading losses prior to disposal. No account has been taken of any other sums for trading losses prior to disposal. No account has been taken of any other sums for taken of any

properties.

The attributable loss emerged at £3.2m (£2.93m), and was transferred to reserves (£2.93m transfarred after £6,000 dividend payments).

Details of the disposals, to be put to an extraordinary meeting of shareholders on February 25, are as follows:

Babcock International will buy the group's vehicle and engine test plant businesses in the UK and the U.S., Froude Consine and Froude Engineering respectively, for initial cash sums of £1.03m and £1.28m for the share capital, inter compeny loans and bank borrowings This is £2m less than the net book value at year end.

A further consideration of up

on the trading position at com-pletion and the fulfilment of certain warranties.

Rosterney, a subsidiary of Barber Colman, will buy the variable speed drive business. Heenon Drives, for the sum of £1.75m for the share capital, inter company loans and bank borrowings (net book value £1.46m), subject to adjustment for losses (if any). £250,000 will be held as a retention and paid over a period of 2 years dependent on the fulfilment of certain warranties certain warrantles

It has also been agreed that additional consideration will be paid if, when and to the extent that certain tax losses are utilised and to the extent that any provisions included in the accounts of Heenen Drives at completion are later found to

Mercia was sold last Decem ber to Flaxrate and West Walk, companies controlled by the investors. The initial consideration was £486,000 and a further small amount will be payable on agreement of the valuation of stock. This compares with a net book value of £544,000.

book value of F544,000.

The managing director of Mercia, Mr Brian Kirby, sought, permission to form a consortium to buy the business last autumn.

The Redman directors considered the offer was fair and abould be accepted.

### **Appledore tops forecast** despite tough conditions

PROGRESS shown by A. & P. increased and he is hopeful that PROGRESS shown by A. & P.
Appledore Group for the year to
the end of September 1984
demonstrates its ability to
prosper despite adverse conditions suffered by the shipping
and shipbuilding industries, says
Mr Peter Nash, chairman. Pretax profits increased from
£532,000 to £705,000, which tops
the forecast of £690,000 made et
the time of arrival on the Stock
increased and he is hopeful that
the current favourable exchange
rate will belp further develop
market.

Market conditions have caused
some shipyard owners to
improve. This leads to
opportunities for the application
of the group's expertise in many the time of arrival on the Stock Exchange last October.

A final single dividend of 0.45p is recommended as forecast, and earnings per 10p share are abown

Additionally, during the year, much consultancy work has been undertaken in support of the activities of yards managed by

is recommended as forecast, and earnings per 10p share are abown as 10.79p (9.7p).

Turnover slipped from £2.97m to £2.77m. Mr Nash says that that consultancy sector of the group's business continued to perform well, and, although turnover on consulting activities declined, profitability improved.

The development and peformance achieved by the shipyard activities in edverse trading conditions leads Mr Nash to believa that there are "good opportunities" for the group to expand its ahipyard management.

Tha balance sheet as at that end of September abows a "strong position" says Mr Nash. Sharebolders' funds were £1.34m, an increase of 41 per cent more than tha previous year.

On the consultancy side, Mr Nash says the year saw the opening of aignificant new markets in Australie and Brazil.

Additionally, British Sbipbuilders has indicated its intention to extend its contract beyond an Initiel three-year term. Business from the U.S. has also

### Star-supported venture seeks to raise £900,000

Y WILLIAM DAWKINS

SUB: SCRIPTIONS opened yesterday f or shares in United British Artists; (Developments), an unquoted film and drama development company which is attempting to raise up to £890,000 after explenses.

Investments in UBAD will qualify for tax reliaf under the Government'a Business Expansion Scheme. UBAD is a startno venture, whose noo-executive

sion Scheme. UBAD is a startsion Scheme. UBAD is a startin venture, whose noo-executive
directors include Albert Finney.
John Huit, Glenda Jackson and
Harold Finter and other stars.

It aims acquire or commission works for development as
feature fills, television miniseries and titrical productions.
Such project will be developed
up to a point here they can be
sold to a this party for production.

Customers all include film
production of inies, cable and
television net is and United
British Artists in and theatre
production coally founded in

1983 by Peter Shaw and Richard

1963 by Peter Shaw and Richard Johnson, who are also directors of UBAD.

UBA will have first right of refusal on the production rights of all projects developed by UBAD, but will offer all of its own development possibilities to UBAD. UBA will not develop any project on its own account. There is no profits forecast, but the group says 20 film pro-There is no profits forecast, but the group says 20 film projects could produce a combined revenue of £3m to £5m over the five years following completion of each film. The directors intend that at least 10 film projects, six theatrical and two television projects will be acquired anoughly, with a possible 50 per

# Our Price aims for 100 stores by year end

SECOND-HALF pre-tax profits at George Dew, the Oldhambased civil engineer, recovered to £1.59m, compared with only £10,000 in the first six months and figures for the full year to October 28 1984 emerge margi nally shead at £1.69m compared with £1,67m.

The final dividend is anchanged et 3.4p net for a same again total of 5.7p. same again total of 5.7p.

Group turnover rose from to £38.27m, with £20.27m to £38.27m, with £20.47m (£15.98m) coming in the second half. Tax for tha year was £285,000 lower at £518,000 There was an extraordinary debit this time of £1.63m, and this comprised the loss of £1.48m arising on disposal of the group's 50 per cent interest in the Saudi Arablan associeted company, Georga Dew-Ebrahim Akbar Alireza. There was also provision of £154,000 for deterred tax arising from tha reduction of initial allowances.

There was therefore an

There was, therefore, an attributable loss to shareholders of £550,000 (£99,000 profit), and after dividends, which again ebsorbed £456,000, there was a deficit for the year of £1.02m against a surplus in the previous year of £142,000 year of £143,000.

Geo. Dew

recovers

in second

six months

A further consideration of up to £1.5m will be paid over a period of 12 months dependent was a loss of 7p (7.5p earnings) including extraordinary items.

Our Price has improved pre-tax level of shop opening costs. It profits by 33 per cent at the now trades from 94,000 sq ft, a interim stage, and with good Christmas trading in all new the everage number of shops shops Mr Gerry Nesbitt, chair-trading during the period at 84 year outcome will be "most settlefactors".

The six-month period to Novamber 28 1984 saw profits climb from £445,000 to £592,000, and the group, a retailer of recorded music, has amounced its first dividend since the full listing a year ago. The interim dividend is 1.5p net, with earnings per share stated at 4.5p (5.6p).

(5.6p).

Turnover excluding VAT rose from fil.3m to fil.497m. During the six mooths nina new shops were opened, compared with six in the corresponding period, and one closed, thereby increasing the total to 90. The increase in turnover for those shops open throughout both periods was 13.5 per cent, with the level of increase in December up by 19.2 per cent.

Mr Nesbitt says that the group



In the current balf a further throughout both periods was 13.5
per Cent, with the level of have been opened, and the chair increase in December up by four shops, lotalling 8,000 sq ft have been opened, and the chair increase in December up by man anticipates an additional four shops trading before the year end. This will make an has maintained its level of net increase of 18 during 1984-85, margins in spite of the higher "thus reaching the milestone of

100 shops."

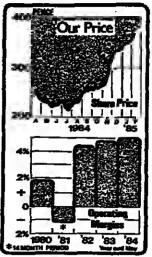
The first shop within a department store at Selfridges started trading last October and results have been most encouraging, he says. Very shortly the company will be enlarging the department to 4500 sq ft and incorporating an entirely separate classical

an entirely separate classical music shop.

The tax charge for the period was £272,000, at a rate of 46 percent estimated to be epplicable for the whola year. The charge for the comparable period was £102,000 at an actual rate of 22.8 per cent, the lower rate being due in the main to the final utilisation of tax losses brought forward, higher rates of capital allowances and stock relief.

relief.
From net profits et £320,000 (£343,000), total dividends will account for £426,000 (£50,000).
In the full year to May 30 1984 the group turned in taxable profits of £1.21m—some £105,000 more than the prospectus forecast—from turnover of £26.08m. comment

Sober-suited directors are making a hit nut of this hip music retailing group. Just a



year after going public and then beating its own first forecast, Our Price bas turned in first-half profits which hold the promise of no let-up in the rate of growth. In the first place

the company's physical expansion programme is pressing ahead strongly, spearheaded by the success—and expansion—of the sbop-within-a-shop venture in Selfridges. Second, the markat's underlying demand for records and tapes continues to pick up, as evidenced by official figures showing e near one fifth increase in the value of deliveries to the music trade in 1984. So long as demand holds up, the outlook looks good. Our Price is still under-exposed in the south-east of England, its main catchment area, and has virtually no representation elsewhere in the country. With gearing at a mere 22 per cent of shareholders' funds, the ability to expand is substantial but the limiting factor has to be the lack of bome-bred management. In terms of product development, there is also scope for a broader appeal through classical and children's markets and the compact disc. Our Price should bave no trouble in top-

the company's physical expan

# **Duncan Lawrie expands deposits by 49%**

Duncan Lawrie, which provides to £23.8m. Documentary credits, banking services to private indistribution banking services also showed satisfactory also increased its share capital system of £409.833 compared with £404.888 the previous year. After tax income from corporate finance with high liquidity, an entarged capital base and substitutes was e record, although it fell short of earlier expectations.

Banking business during the year capanded appreciably, with a 48 per cent increase in deposits.

### **Manchester Canal profit up**

SUBSTANTIALLY lower severance payments—cut from £2.33m to £605,000—resulted in Manchester Ship Canal reporting pre-tax profits up from £778,000 to £1.58m in 1984.

Changed at £1.57m, and loan and investment income was down from £858,000 to £813,000. Interest payable was £378,000 to £1.58m in 1984.

£453,000 (£425,000). Turnovar fell alightly from 1223.71m to £23.06m, while operating profits dived from 5.5p net, but earnings per £1 £1.25m to just £180,000. Net share improved from 5.7p to income from property was little

changed at £1.57m, and loan and



#### **UK COMPANY NEWS**

C. H. BEAZER (HOLDINGS) PLC Issue of up to £18,758,297 nominal 8½ per cent. Convertible Unsecured Loan Stock 2000 in connection

with the acquisition of William Leech PLC. The above mentioned securities have been admitted to the Official List of the Council of The Stock Exchange.

Perticulers of the Loen Stock are aveilable in the statistical services of Extel Statistical Services Limited. Copies of the Listing Particulars releting to the Loen Stock may be obtained during normal business hours on eny weekday (Saturdays excepted) up to and including 26th February, 1985

C. H. Beazer (Holdings) PLC, 2 Midland Bridge Road, Bath BA2 3EY.

County Bank Limited, 11 Old Broad Street, London ECZN 1BB,

L. Messel & Co., 1 Finsbury Avenue, London EC2M 2QE end

Company Announcements Office, The Stock Exchange, Throgmorton Street, London EC2P 2BT (until 13th February, 1985 only).

12th February, 1985

	BASE LENI	DING RATES
	A.B.N. Bank 14 %	C. Hoare & Co
	Allied Irish Bank 14 %	Hong Kong & Shane
	Henry Ansbacher 14 %	Johnson Matthey B
	Amro Bank 14 %	Knowsley & Co. Ltd.
	Armeo Trust Ltd 141%	Lloyds Bank
	Associates Cap. Corp 14 %	Edward Manson &
	Banco de Bilbeo 14 %	Meghraj & Sons Lto
	Bank Hapoalim 14 %	Midland Bank
	Bank Hapoalim 14 % BCCI 14 %	Morgan Grenfell
	Bank of Ireland 14 %	
	Bank of Cyprus 14 %	Mount Credit Corp. 1
	Bank of India 14 %	Netional Bk. of Kuy
	Bank of Scotland 14 %	National Girobank
	Banque Belge Ltd 14 %	National Westmin
	Banque Belge Ltd 14 % Barciavs Bank 14 %	Northern Bank Ltd.
	Barciays Bank 14 % Beneficial Trust Ltd 15 %	Norwich Gen. Trust
	Beit Bank of Test Lat 13 %	People'e Tst. & Sv. I
	Brit. Bank of Mid. East 14 %	Provincial Trust
	Brown Shipley 14 %	R. Raphael & Sons
	CL Bank Nederland 14 %	P. S. Refson
	Canada Perm'nt Trust 14 %	Roxburghe Guaran
	Cayzer Ltd 14 %	Royal Bank of Scotts
	Cedar Holdings 14 %	Royal Trust Co. Can
	Charterhouse Jephet 14 %	J. Henry Schroder W
	Choulartonsnn	Standard Chartered
	Citibank NA 14 %	Trade Dev. Bank
	Citihank Savings 121%	тсв
	Clydesdale Bank 14 %	Trustee Savings Ba
	C. E. Coates & Co. Ltd. 141%	United Bank of Kuy
	Comm. Rk. N. East 14 or	United Mizrahi Ban
- 1	Consolidated Credits 14 % Co-operative Bank 14 % The Cyprus Popular Bk. 14 %	Westpac Banking C
	Co-operative Rank 114 90	Whiteaway Laidlaw
-	The Cyprus Popular Bk 14 or	Williams & Glyn's
	Dunbar & Co. Ltd 14 %	Wintrust Secs. Ltd.
	Duncan Lawrie 14 %	Yorkshire Bank
1	E. T. Trust	Members of the Accept
Ġ	E. T. Trust 141% Exeter Trust Ltd 141%	Committee.
1	First Nat. Fin. Corp 15 %	* 7-day deposits 11%,
i	First Nat. Secs. Ltd 141%	11.75%. Fixed rate
•	WELLS THEFTHE THE NO.	£2,500 11.75%, £10,000

### Granville & Co. Limited

27/28 Lovat Lane London EC3R 8EB Talephone 01-621 1212

**Over-the-Counter Market** 

							P/1	6
	_				Groam			<b>Fully</b>
High		Company	Price	Change	div.(p	1 %	Actual	taxed
144	123	Asa. Brit. Ind. Ded	142	_	6.6	4.4	7.9	8.4
151	135	Asa. Brit. Ind. CULS	150	_	10.0	B.6	_	_
77	61	Airsprung Gronp	53	_	0.4	12.1	5.9	7.0
42	26	Armitage & Rhodes	37	_	2.9	7.0	4.8	7.7
140	108	Bordon Hill	138	-2	3.4	2.5	13.B	23.2
58	42	Brey Technologies	48		3.5	7.3	5.6	B.0
201	170	CCL Ordinary	170	_	120	7.1		-
152	110	CCL 11pc Canv. Pref.	110	_	15.7	13.B		_
810	100	Carborendom Ord,	Bie	_	5.7	0.7	≕	=
86	84	Cerborendam 7.5pc Pf.	86	_		12.4	_	_
103	43	Cindico Group	435				_	
73	51	Deborth Services	60	_	8.0	10.8	5.7	9.2
286	182	Frank Hersell	286	+5	4.0	10.4	11.5	15.1
248	170	Frank Horsell Pr.Ord.87	248	+6	6.B	3.9	10.0	13.1
32	25	Frednrick Parket	32		4.3	13.4	10.0	13.1
53	33	George Blair	53	+1		132	3.6	7.1
50	27	Ind. Precision Castings	53 28		2.7	9.6	7.7	É.3
21B	186	late Group	166	_	15.0	B.O	7.4	13.4
124	104	Jackson Group	104		4.9	4.7	4.0	0.4
285	213	Jomes Burrough	276		13.7	36	3.0	8.4

13.7 5.0 12.9 14.3 5.0 5.7 15.0 5.7 15.0 13.0 5.0 13.0 5.7 18.4 4.3 1.2 1.3 8.0 17.4 7.7



U.S.\$200,000,000

**Bankers Trust** International Capital N.V. Incorporated in the Netherlands Antilles

Guaranteed Floating Rate Subordinated Notes Due 1996

13th Fabruary, 1985 to 13th May, 1985 the Notes will carry an interest rate of 9 % per cent per annum and interest payable on the relevant interest paymant date 13th May, 1985 will be US\$230.23 per US\$10,000 note.

International Westminster Bank PLC London - Agent Bank

**STAFFORDSHUP** Full speed ahead with electronics

> 53121 ext 7371 for further 7 which will guide you to us. **Staffordshire**



#### CJR pays £4m for its own shares

financial services group ded by Mr Jacob Rothschild has begun its promised policy of purchasing its own shares. It announced yesterday that it bad bought 3.75m shares on Friday at a price of 108p, costing it

at a price of 108p, costing it £4.05m.

The group has just obtained shareholders' approval to buy in up to 100m shares—22.9 per cent of its issued share capital, the maximum currently permitted—in order to boost attributable net assets per share. However, Mr Rothschild has said that the initial intention is to purchase np to 5 per cent of the equity. The group's shares closed last night at 108p, unchanged on the day.

night at 108p, unchanged on the day.

Charterhouse J. Rothschild, which is being renamed J. Rothschild Holdings, is rich in cash, having recently sold its Charterhouse Jephet merchant banking subsidiary to the Royal Bank of Scotland and a 249 per cent stake in Hambro Life to BAT.

holds 19.7% of Fleet

stated target of 20 per cent in Fleet after completing the pur-

chase of a 15.76 per cent stake from Mr Robert Maxwell's Per-

gamon Press yesetrday. It held about 2.5 per cent of Fleet before

the purchase of the Pergamon stake and has since bought about 1.5 per cent through the market.

Kunick Leisure Group is mov-ing into the ice rinks husiness.

ing into the ice rinks husiness.

Itis converting the Tiffany's site
in Scunthorpe, purchased from
Mecca few months ago, into a
family ice rink and adjoining
"fun pub." The rink will cater
for ebout 300 skaters. In all,
Kunick will be spending £500,000

on the Scuntherpe development.
Kunick's looking for further sites to open similar small, family ice rinks in the UK.

ASR Heldings achieved pre-tax profits of £410,000 for the half year to end-September 1984, on turnover of £10.12m.

**ASR Holdings** 

Goode Durrant

Pre-tax profits of Goode Durrant and Murray, banking services, house hullding and department store concern, slipped from £2.62m to £2.57m for the year ended October 31 1984.

Turnover increased to £67.6m.

Earnings per 5p share are stated as 5.7p (6.1p) although the net dividend is maintained

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purposes of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly an last year's timetable.

TODAY

Interims: Humbarides Florement

Interims: Humbersids Electronic Controls, Meinmet, Stonehill, TR City of London Trust, United Real Property Trust, Whitworth Electric, Finale: General Funds Investment Trust, Investors Capital Trust, PLM AB.

PUTURE DATES

Addition Communications Feb 14
Oen Bros. Buist Feb 22
Ewart New Northern Feb 21
Genr (S.R.) Mar 27
Jackson (William) Feb 21
Jackson (William) Feb 15
Media Technelogy Intal. Feb 21
Page (Michael) Partnership Fab 14
Firess:

Kunick Leisure

wrote.
"While our request was not United Newspapers'

"I find it inexplicable that a company of BTR's standing should resort to threatening tactics of this kind," Sir Michael

BY CHARLES BATCHELOR

SIR MICHAEL EDWARDES, chairman of Duelep, yesterday accused BTR of using "personal threats" in its £33m takeover hid for the tyre and rubber prodocts group.

Dunlop published copies of e "private and confidential" letter from BTR finance director, Mr Norman Ireland and of Sir Michael's reply in a cootinuation of Dunlop's high profile conduct of its defence strategy.

Sir Michael sald in his letter that be was "astonished" that BTR had threatened to bold Dunlop directors personally liable for the costof any communication to BTR shareholders following Dunlop's request for a copy of BTR's can advisers in BTR's hid could be in everyooe's their twould be in everyooe's them would not be justifiable to Dunlop," BTR said. Dunlop rose a further 3½p since the mid-Jamagry announce two merchant hank advisers, said as financial reconstruction that it had put together a fanancial reconstruction and the since states.

"I find it inexplicable that a two merchant hank advisers, said and it inexplicable that a two merchant hank advisers, said and it inexplicable that a two merchant hank advisers, said and it inexplicable that a two merchant hank advisers, said and it inexplicable that a two merchant hank advisers, said and it inexplicable that a two merchant hank advisers, said and it inexplicable that a two merchant hank advisers, said and it inexplicable that a two merchant hank advisers, said and it inexplicable that a two merchant hank advisers, said and it inexplicable that a two merchant hank advisers, said and it inexplicable that a two merchant hank advisers, said and it inexplicable that a two merchant hank advisers, said and it inexplicable that a subject to the mission to be active that the takeover bid did not require the approval of BTR's own shareholders—

BTR's equity—and they, therefore, played no active part in the bid approach.

"It follows that for Dunlop or its advisers to circularise that the varyooe's company with much greater thank and the played of the played that its interests in BTR's hid during the pro

Edwardes 'astonished' at

BTR's takeover tactics

BTR's letter, which was sent to Mr Mark Smith, e director of S. G. Warburg, one of Dunlop's two merchant bank advisers, said that for Dunlop to write to BTR's shareholders would be "a totally unnecessary, and therefore an improper, expenditure." cash.
"I place this matter on record 587p.

financial package.

BTR's share offer is worth not quite 23p per share or 20p in cash. BTR's shares rose 1p to

# **Qualified Edenspring accounts** show £2.72m loss from Oric

Holds 19.7% Of Fleet
United Newspapers, publishers of the Yorkshire Post,
Punch end Exchange and Mart,
yesterday revealed it had
increased its stake in Fleet
Holdings to 19.7 per cent. It
disclosed a stake of 19.25 per
cent at the end of January.
United is a fraction under its
tested types of 20 per cent in whose main subsidiary, Oric assets and those in Oric not Products, went into receivership two weeks ago—yesterday two weeks ago—yesterday produced delayed and qualified accounts for the 17 months from its incorporation to June 1984. which showed exceptional losses of £2.72m from Oric.

A further £1.26m of extraordinary losses were reported from a capital reconstruction at Pennina Commercial Holding, a subsidiary that went into liquidation last November. Edenspring, which is traded on the ovar-the-counter market, recorded a pre-tax loss for the period of £2.7m and a loss after extraordinary Items of £3.98m for the period, covering January 19, 1983, to June 30 last year. There are losses per share of

company said it had The company said it had excluded from its financial statement the accounts of Pennine and Orice because of the eppoint-ment of liquidators and receivers respectively to these companies.
However, provision had been
made in the accounts against the
costs of investment in both companies, against monies outstand-

directors ' were unable to consider the future direction of the

group."

The exceptional provisions for The exceptional provisions for Oric are £248,999 for the cost of tha investment and £2,4925364 for monies owed, while the extraordinary item for Pennine breaks down between £398,633 for the cost of the investment and £865,437 for manied owed. At June 30, bte group had tangible fixed assets of £470,000. Edinspring's auditors. Thorton Baker, pointed out in their report un the accounts that they did not act for either Pennine or.

Oric.

They added that no audited accounts had been prepared on Oric and they were therefore mable to obtain adequate evidence as to the accuracy or completeness of disclosures in Edenspring's accounts required under the Companies Act on

directors' emoluments and trans-actions with connected persons in relation to Oric.
Thornton Baker added: "Wo Oric's management accounts had shown a loss of £2.5m on turnover of £12.7m for the year to June 30 1984. Edenspring said that until Oric's positiou under the receivers was clarified the directors 'were unable to constitution of £12.7m for the year to June 30 1984. Edenspring said that until Oric's positiou under the receivers was clarified the directors 'were unable to constitution of £12.7m for the year to disclosures required by the Companies Acts 1948 to 1981 with regard to Pennine which should be made in these financial statements. As Pennine is in should be made in these financial statements. As Pennine is in liquidation no audited accounts have been prepared and we are unable to obtain evidence to support these representations." Edenspring? accounts said that in the absence of andited accounts for Oric the directors had not been able to obtain full information concerning transactions between Oric and companies in which two previous directors of the company are or were interested. The directors concerned are Mr B. J. Muncaster and Mr J. K. Tullis.

The books and records of Oric showed that in the year to June 1984 Oric paid £157,843 to Johnson-Muncaster, in which Mr

son-Muncaster, in which Mr Muncaster was interested, for management services and reim-bursement of expenses, and £56,987 to Tullis Industries for

#### BIDS AND DEALS IN BRIEF

comparable figures given of £632,000 and £9.77m are for the shoe repair, key cutting and retailing group of companies which now comprise ASR Holdings after the demerger of the tanning and other husinesses in The interim dividend is 3.5p. For the previous 15 months there were two interim payments amounting to 3.5p, and a final of 3.75p. The group's year end has been changed to March 31.

Premier Consolidated Olifician has been informed that Carless Capel and Leonard has sold all Fie nil paid rights entillement following the Premier rights issue announced on January 16. Premier have also been advised that interest controlled by Mr Ivan F. Boesky has been reduced by the sale of 2,500,000 Premier hares. Mr Roland Shaw, chairman of

Premier, commenting on this in-formation, said that although the sales have had a depressing effect on the chare price re-cently, it is obviously good for the long-term future of the

Jeseph Webb has acquired, through its subsidiary Parklaed Caravan, the freehold holiday site known as Great Tree Holiday site known as Great Tree Hollday Park at Looe, Cornwall.

The consideration of £675,000
will be paid in cash from the company's existing resources— £275,000 immediately and two further instalments of £200,000
in January of the next two years.
These instalments are interest

Magic Momeot Restaurants is planning to open its first European theme restaurant, where a tableside magic show is a main attraction, opposite Hamleya toy shop in Regent Street.

In a £262,500 deal the company is ecquiring Verrys Restaurant and Coffee Shop from Richards (Cakes). The 6,000 sq ft restaurant will be converted into the first magic theme restaurant io the UK, while the 1,500 sq ft ground floor Coffee Shop will continue in operation as part of the new company.

\*

Roberto Investment Corpora-

Roberto Investment Corpora-tion has disposed of 1,806,750 Five Oaks Investment ordinaries The shares were purchased by clients of Raphael Zorn. Mr

London Merchant Securities is Morrison and Mr Anderson manufacturer and retailer of a beneficially interested in 7.56m directors of the company, and broad range of precision ordinary shares (28.85 per cent) acting in concert, acquired products for the electronics in of First Leisure following the 650,000 and 500,000 of these dustry, whose sales in 1984 purchase of 400,000 shares.

The merger of Royal Bank of sales also run at some \$10m.
Scotland Group, Charterhouse
Japhet and subsidiaries is not HOSKINS AND HORTON, to be referred to the Monopolies Commission

Pentos has sold the liquefied petroleum and compressed gas equipment business of Messengers (Birmingham) to Sperryn and Cs, a member of Delta Group. Group.

The agreement involves initial totalling

The agreement involves initial payments in cash totalling 2678,000 for the goodwill, stock and plant. This is subject to further cash adjustments relating to stock and work.

The business sold accounted for 65 per cent of Messengers' total turnover in 1983. In that year, Messengers made a loss of £227,000 hefore interest and extraordinary charges; but in 1984 the losses have been substantially reduced.

\* \*

Compece Holdings has ex-

Compec Holdings has exchanged contracts to acquire the Watford Enterprise Centre, an industrial development at Croxley, Watford. The group will acquire a 125-year head lease-hold interest from the free-holders — Watford Borough Conneil — for 574,000 cash. Initially, Compec will receive e guaranteed minimum rental income (net of ground rent) of 568,500 per annum until such times as the centre is fully let. Hereafter, it will receive the full rental income (net of ground rental income (net of ground rent) generated by the centre.

The Cookson Group has made two acquisitions in the United States for a total of \$6m, through its subsidiary there. Stern-Metals.

1t has bought Advance industries, a Massachusetts-hased

shares respectively, increasing their beneficial holdings to 875,000 and 584,000 shares venerbeck and Clase, of Rhode respectively (a combined total of 19.71 per ceot).

\*\*The other purchase is The other purchase is Rhode listand. This produces bonded materials primarily of precious metal content, and its annual eales also run at some \$10m.

Hoskins argued in its letter that acceptance of LMTs share offer would give a 25 per cent higher annual income than accepting the SHT share offer.

Anglo-Indonesian Corporation, REA Holdings and Piantaties and General Investments are at "an advanced stage" in discussions on amalgamating their interests in the Tasik oil palm project in Sumatra under e single new UK bolding company, Anglo-Eastern Plantations. This would be accompanied by the raising of external finance for the company, which might incorporate the existing Sumatran estates of Anglo-Indonesian and REA.

C. H. Bailey sold 4,806,387 ordinary of Bristol Channel Ship Repairers, reducing its interest from 67.56 per cent to 61.54 per cent.

MINING NEWS

# Big names likely to clash over Neves Corvo copper mine

TWO of the higgest names in the international mining world look likely to be drawn into a struggle for the ownership of a sizeable minority stake in Neves Corvo, a rich copper deposit in

Last October, the London-hased Rio Tinto-Zinc group revealed it had agreed to buy the aggregate 49 per cent stake held in Sominoor, the holding held in Somincor, the holding company for Neves Corvo, by France Penarroys and Coframines companies. This was subject to a pre-emprive right of purchase beld by the state-owned Portuguese mining company EDMA, which owns the remaining 51 per cent of Somincor, and to RTZ receiving government approval as a foreign investor.

RTZ said it expected the deal to be completed before the end of 1984, and paid \$90m (£82m) into an escrow account in Paris to cover the purchase price.

Recent reports from Lisbon suggest, however, that the 42 per-cent stake has been thrown open

to tender by three other groups, with South Africa's Anglo American Corporation emerging as the frontrumer. Bids heve to be submitted by March 15.

one question left open in the negotiations between RTZ and the Portuguese Government was the latter wish to add value to the output from Neves Corvo by constructing a smelter at the mine site. RTZ was believed to prefer the idea of smelting the concentrates from the mine else. concentrates from the mine else. where in Europe, possibly West Germany.

Next developments are expected on Thursday, when RTZ is due to hold more talks with the euthorities.

the authorities.

Neves Corvo is regarded as the most significant mining development in recent Partuguese history. Outside estimates put reserves at 27.5m tonnes, with a very rich grade of 8.66 per cent copper, along with soma associated load and zinc. At the projected mining rate of Imtonnes of ore a year, the deposit would have a life not far short of 30 years.

### Rivals stake their claim in **BP-Seltrust gold venture**

AUSTRALIA'S Samantha Ex-ploration and Samson Explora-tion say the British Petroleum say the British Petroleum. Selitrust partnership has not excercised its pre-emptive right to acquire the outstanding 25 per cent stake in the promising Temora gold prospect in New South Wales. BP holds 18.75 per cent of Temora while Selitrust

cent of Temora while Seltrust has 56.25 per cent. Since the February 9 deadline for such acquisition has passed, Samantha and Samsen claim that Samantha and Samson claim that following their earlier offer for Temora they have interests of 15 per cent and 10 per cent, respectively, in the gold venture. They say that for 50 days they have the right to match any offer for the EP-Seltrust 75 per cent holding should the latter wish to

transfer the whole or part of the interest. This refers to the pro-posal for Seltrust (75.4 per cent-owned by BP) to be placed into voluntary liquidation. The Temora prospect was last

The Temora prospect was last estimated to contain 6.1m tonnes of ore grading at average 2.4 grammes gold per tonne. It is easily amenable to open-pit mining and would require about A\$18m (£12.5m) and 18 months to be brought to full production of 700,000 tonnes of ore a year.

Samantha is meanwhile the subject of take-over offers from hoth Barrark Mines and Eastern Petroleum. The three companies are partners in the profitable Horseshoe Lights gold mine, near Meekatharra, Western Australia.

### Papua officials arrive for talks on Ok Tedi project

TEAM of senior officials from Papua New Guinoa arrived in pond tho third stage, under Hong Kong yesterday for talks which Ok Tedi will produce only with international banks over the planned closure of the planned closure of the US\$1.6bn (£1.4bn) Ok Tedi minest Ok Tedi. Recent estimates are to the additional demands the planned to the control of the planned to the

ing project.
Loans to the project from e number of big banks could be in danger if the Pepua Government, which has a 20 per cent interest, goes ahead with its decision to close the mine by the end of this month. this month.

this month.

The officials, led by Palas Wingti, Deputy Prime Minister, will defend the Government's decision, taken 10 days ago after a dispute with its foreign partners over delays in the second

ners over delays in the second phase of development. envisaged an initial stage during which gold would he axtracted from a cap of ore on top of the deposit. This is well under way, hut low metal prices caused the commercial partners to seek delays in implementing the second stage, which involves mining copper as well as gold.

. This would also have post-

et Ok Tedi. Recent estimates are thet the additional development work required by the Govern-ment towards the second stage of the project would cost shout \$800m. A considerable amount of infrastructure is involved, including a permanent system for dealing with the mine's tailings( wasto products), a hydre-electric power scheme and a sea

electric power scheme and a sea port.

Two years ago, the partners amounced the raising of \$850m in financing for Ok Tedi, and it is these loans which will be put at risk if the dispute is not settled. The commercial partners are Australie's Broken Hill Proprietary and the Standard Oil of Indiane subsidiary, Amoco Minerals, both with 30 per cent The remaining 20 per cent is held by a group of West German interests.

#### **Tongkah Harbour output** shows further increase

INCREASES in tin concentrate output for January from producers in the Malaysia Mining Corporation group, include a further rise at Tongkah Harbour, lifting the latter's total for the past seven months of its financial year to 414 tonnes, against 323 tonnes a year ago.

Ayer Hitam's total for the same period, however, continues to lag at 570 tonnes against 750 tonnes, while Aokam's total is 600 tonnes against 663 tonnes. Berjuntai shows up well with a nine month total of 1,918 tonnes against 1,563 tonnes.

4,959 against 5,634 tonnes.

Actual sales are not disclosed on a monthly basis and all the companies remain subject to export restrictions imposed by the International Tin Council in its efforts to reduce the surplus stocks overhanging the market. The latest monthly production figures are compared below.

The major producer, Malaysia Gopeng group amounted to 1214 tonnes, making 501 tonnes for its financial year with a total of the past four months.

# **NOMURA** INTERNATIONAL LIMITED

We have pleasure in announcing, that from Monday, 18th February 1985, Nomura will add to its Eurobond services:-

secondary market-making in **Eurodollar Floating Rate Notes** 

for further information please contact: Russell Johnston or Michael Duff

NOMURA Nomura International Limited 3 Gracechurch Street London EC3V 0AD Telephone: 01-283 5212 Telex: 883119

### **SECURITIES DE-REGULATION** and the FINANCIAL SERVICES REVOLUTION

Considerable restructuring has already taken place by banks, brokers and financial institutions to meet the challenge of the BIG BANG in 1986. The urgent need now is to sell their benefits to the wholesale market around the world.

Forthcoming issues of The Banker will be discussing these moves and opportunities in great detail. They will also be praviding a unique opportunity to edvertise the full range of services you now pravide. Your advertising will be reaching senior management in international banking worldwide. People who use London's money, securities, forex, tutures commodities and improvementated delivery. futures, commodities and insurance markets daily. you would like to advertise within this important series please contact:

The Marketing Director THE BANKER 102 Clerkenwell Road, London EC1 Tel: 01-251 9321 Telex: 23700

# **TECHNOLOGY**

VISION INSPECTION SYSTEMS FOR CIRCUIT BOARD TESTING

# Machines with an eye for detail

BY GEOFFREY CHARLISH

A MACHINE vision system that can inspect an assembled printed circuit board (PCB) in under one minute and lidentity absent or misplaced com-ponents has gone into action at Computer and Systems Engineering (CASE) of Wat-ford.

February V

At the land of the

See Pr

for £93

NOUNCED

It is designed and made by MME, a two-year-old company based at Saffron Walden in Essex. The machine is solving

Essex. The machine is solving a serious inspection problem for CASE, where last year some 82,000 PCBs of 120 types went through the company's hoard production plant.

CASE has invested £70,000 in the machine. Production director Mr John Aylott (who was previously production manager at Plessey Radar) thinks there is a £300m world market for units like MME's.

"We could find no company."

"We could find no comparable machine elsewhere" he said. "Even in the U.S." The company manufactures computer communications systems and has been outstandingly successful, increasing profits from £0.35m in 1978 to £4.1m in the first half of 1984.85.

Mr Lee Frost, MME's marketing director, hopes to sell per-

ing director, hopes to sell per-haps 20 of his inspection machines a year and a number of companies have expressed an interest including Plessey, Sony UK, Singer Link Miles and Bell Telephone (Belgium).

Failure to perceive component faults before boards are soldered can prove expensive

As in most visual inspection As in most visual inspection of complex objects, a long and hard enough look by humans will pick up a high percentage of faults—but the process can be lengthy. Using the MME machine a 12 x 8 inch board with 650 components can be inspected in 45 seconds, compared with many minutes for pared with many minntes for the human inspector—for whom the task can be fatiguing, tedious and, therefore, error-



John Aylott, production director at CASE, says that he could not find a machine comparable with MME's vision tester

holes at speeds np to two or three a second. Failure to perceive com-ponent faults before the under-

sides of the boards go over the flow soldering machine can prove expensive. The components can be absent, wrongly oriented, of the wrong type, or they can be badly inserted leading to improper soldering. Then, "re-working" is needed—the offending component has to be unsoldered by hand and possibly removed from the hoard.

The MME machine works by marging the improved to the improved the

memorising the image of a known good board and examing the differences, within defined limits, of each new hoard presented to it.

A solid-state television camera looks at the good board however, and further work is in stepped areas, which allows the hlank parts to be ignored, saving time. The hoard is mounted on an X-Y table At CASE, an associated Dick communities with heard dick communities.

driven to "snap-shot" positions by accurate motors on the two axes. At each step, the scanned image is broken down into a large number of tiny picture elements called pixels.

As soon as the machine sees a difference (it processes the information with no perceptible delay), it stops at that image step and shows the feulty com-ponent as a highlight area on e TV manifor.

or misaligned components. A development in hand will allow the machine to check for the correct numerals on integrated

Faults can be dealt with on the spot, or marked for subsequent attention at a correction station. Already, CASE has reduced re-work of boards from 27 to 15 per cent.

The machine is not infallible however, and further work is

the type of board under test.
At CASE, an associated DEC computer with hard disk storage can keep the master data of up to 350 different boards and inspection

sequences.
The operator, having identithe task can be fatiguing, tedious and, therefore, errorprome.

In high capacity PCB manufacturing, the integrated circuit memory as a digital code—
code. When the board under resistors and capacitors, are assembled on to the pre-drilled circuit board by an insertion machine which pushes the component's legs or leads into the state of the control of the state of the control of the state of the control of the pre-drilled circuit to board to hand via a display checking. He is control of raising about £1m of the machine's board to select the correct sets the machine as mall key board to select the correct sets the machine as mall key board to select the correct sets the machine as mall key board to select the correct sets the machine as mall key board to select the correct sets the machine as mall key board to select the correct sets the machine as mall key board to select the correct sets the machine as mall key board to select the correct sets is examined by the camera, a series of pixel codes is produced which will be identical takes only a minute or two.

The operator, having identical display checking. He is cont of raising about £1m of the uses the machine's board to select the correct sets is examined by the camera, a series of pixel codes is produced which will be identical takes only a minute or two.

The operator, having identic, fied the board to hand via a display checking. He is cont outset the machine's board to select the correct set machine as mall key board to select the correct set machine as mall key board to select the correct set machine as mall key board to select the correct set machine as mall key board to select the correct set machine as mall key board to select the correct set machine as mall key board to select the correct set machine as mall key board to select the correct set machine as mall key board to select the correct set machine as mall key board to select the correct set machine as mall key board to select the correct set machine as mall key.

The light value of each point is

company is expanding rapidly. Board production has trehled during 1984—but with only twice the staff. The plant has four Amistar (Torrance, Calfornie) insertion machines and ponent as a highlight area on e formie) insertion machines and has ordered a Dynapert dual-Resolution of the imaging system is 1mm, which allows components an hour. Genrad the machine to identify canted and other eutotesters are

> Lee Frost believes the greater use of surface mounted devices, which are bonded to the board with adhesives, will call for visual inspection of a high order, because the devices tend to float sideways on the adhegive before it sets.

The machine has caused no job losses at CASE because the company is expanding rapidly

He also sees other electronic industry uses for the machine, including computer keyboard inspection and liquid crystal display checking. He is confident of raising about £1m of venture capital—before companies in the U.S. and elsewhere develop competitive machines. develop competitive machines.

At least one other UK com-pany, Lloyd Doyle of Walton-on-Thames, has a machine, but it looks at PCB tracks before insertion and is of more interest

# Quick and dirty means cheap and right

MR GEOFFREY PATTIE, Industry and Information Technology Minister, will tomorrow see in action a way of developing personal computer programs that is likely to revolutionise the software business. It is called prototyping. Programs developed using the technique are exact equivalents of the working prototypes built for

the working prototypes built for example, hy automobile makers before they commit themselves to full scale manufacture.

Mr Pattle will see examples of prototyping at Softwright Systems of Chertsey in Surrey, which seems, for the time being at any rate, to have cornered the market in exploiting this technique commercially

technique commercially.

Prototyping sounds a fairly obvious approach in an engineering discipline and, in fact, Dr Christopher Grindley of Price Waterhouse was spreading the prototyping second. Price Waterhouse was spreading the prototyping gospel as early as 1966. He later set out the principles in detail in his book Systematics, and Price Waterhouse uses his techniques today. What held up the rapid adoption and spread of prototyping was the cost of hardware and a lack of effective ways to speed up the prototyping process. Now, with low cost hut powerful personal computers and so called "fourth generation" lan-

called "fourth generation" languages to generate programs automatically, these barriers have been removed. The hasic idea behind proto-

typing is that customers do not know what they want. They may come up with a fair description of their requirements, but only after seeing the resulting system in action will they see its shortcomings, refine their ideas shortcomings, refine their ideas and specify changes and modifi-cations: "I know that's what I said I wanted but it's not right!"

This is not easy with traditional programming techniques, hased around the notion of a product "life cycle." Briefly, this involves four phases. First, the analyst breaks down the cus-tomer's problem, then the sys-tems designer specifies the programs to fit the customer's requirements.

The next atage involves the programmer in "coding" — writing out the program in a suitable computer language ready for the final stage, testing and evaluation. The principal breakthrough

Professional programmers have had these software tools available to them for some time. Good examples are Sperry's Mapper and Burrough's Line; programs which write through the project."

programs, they can dramatically reduce the time needed to create a software suite.

Softwight Systems fourth generation called Sourcewriter,

create a software suite.

It is this speed that makes prototyping possible. The client outlines what he wants, the programmer uses a fourth generation language to produce a quick and dirty prototype, and elient and programmer work together to refine the prototype into finished product.

And it works, Softwright Systems claims a host of satisfied customers inclinding Centre-

Professional Personal

Computing

BY ALAN CANE

The basic idea behind prototyping is that customers do not know what they want

file, the computing services subsidiary of National West-minster Bank.

The task was "Solicitors' Office," a new Centrefile offering comprising time recording legal accounting and word pro-cessing, all running on ICL personal computers and inte-grated by a local area network.

The project started last June and a prototype of the time-recording system had been generated within a month. By October, a full demonstration version of both time-recording and legal accounting had been delivered.
That involved 60 programs

produced and tested at the rate of 1,000 lines of computer code a day. (Conventional industry wisdom has it that 10,000 lines which made prototyping pos-sible was the development of Mr John Wallace, Centrefile "fourth-generation" computer managing director, said he was

which create applications programs automatically.

Professional programmers have had these software tools available to them for some achieved completion without these techniques. We would still be only one-third of the way

**EDITED BY ALAN CANE** 

Softwright Systems uses fourth generation language called Sourcewriter, developed by Martin Anderson. Formerly with the UK computing services company Logica, he started his own company, Sourcewriter Ltd., to sell it. Instead, the company was bought by Microfocus, one of the UK's brightest software

Softwright Systems was started to develop applications programs using Sourcewriter. Companies with software de-veloped by Softwright include

Air Products, B.A.T., RMC Group and C. E. Kinchin and Safeway Incorporated.

Ms Jane Tozer, managing director of Softwright, describes the SSL approach as "Volvolike." Titles like systems analyst, programmer and systems designer have been abandoned

doned. Instead there are only sys-

tems builders and senior systems builders who have continued responsibility for the development of the systems from the initial discussions onwards.

Ms Tozer says: "This cuts down communications over-heads, and gives considerable peace of mind to the clients. The person to whom you explain the intricasies of your requirements is acquaity saint. quirements is actually going to implement it, rather than explain it to someone else and test it afterwards."

Are there drawhacks to prototyping? Dr Grindley of Price Waterhouse sees two. First, that 4GLs are not adequate yet for very hig projects; proto-types can be generated for scaled down versions but after that it is back to traditional methods. Second,

prototyping become addictive. Unless there are powerful constraints on time and money the urge to continue to improve the protoiype can be destructive. With the continued move towards more powerful 4GLs, prototyping seems certain to

software engineer's toolhox.

The good news is Selling technolog

#### Components

#### **Optical** sensors

The Department of Trade and Industry is helping to fund research in the application of optic fibres as industrial or optic fibres as industrial sensors. Nine companies including ICI, Pilkington, Pye Unicam and Hunting Engineering are linking with the University of Manchester Institute of Seience and Tech. Institute of Science and Tech-nology (UMIST) to form a special unit for optical sensors research.

The unit will develop fibre

optic based sensors which are chemically sensitive but can operate in hazardous environments to monitor trace gases or other chemical parameters in industrial processes.

UMIST sees this technology of growing importance over the next decade simply because it allows accurate measurement in difficult

environments.
The DTI has provided funds of about £108,000 for the next three years which each company is investing £11,500 over the same period.

#### Medicine

#### **Shattering** stones

A WEST German company is to market machines which use shock waves to shatter kidney stones painlessly.

Dornier System GMBH said the technique, an offshoot of its research into the effects of shock waves on spaceships and planes, involves applying shock waves to kidney stones from waves to kidney stones from ouside the body. The disintigrated kidney stones pass out of the body in urine. The machines are in use in

14 West German clinics and some 10,000 patients have been cured by the method since 1980. Now Dornier is setting up firms to build the stone crusher commercially in West Germany and the United States. It is also take a prominent position in the working on a machine to shatter

When the first country with a subject to the subjec

Since the first electronic brain began "thinking" almost four decades ago, Hitachi has been steadily advancing tha art of machine memories. From paper tape and punch cards. To magnatic tape and memory drums. To semiconductors and

#### density information storage. Technology that never forgets

Today, the results of Hitachi research are in use all around you. Floppy disks that can hold hundreds of pages' worth of text for ready reference via business or personal computers. Magnetic "bubbla memories" which allow industrial robots to mamorize dozens of job routines. Semiconductor memory devices for data processing, satellite communications systems, office automation equipment, and even home audio/video componants.

the very latest optical technologies for high-

Our engineers are using microelectronic skills to allow much more information to be packed into smaller and smaller units. They have found ways to etch micron-wide circuits on 1/2 cm<sup>2</sup> silicon chips to accommodate over one million bits of data. They have refined the magnetic storage properties of Hitachi hard disks to almost flawless levels.

In fact, we are constantly coming up with innovations and new applications. Quite recently: A mirror-like optical disk no

larger than an LP record, which permits laser inscription of pictures and sounds as well as computer-encoded text and numbers for laser scanning of any bit of information in just a quarter of a second.

These axamples demonstrate a few of tha ways in which Hitachi is improving upon basic technology. Then using it to create practical tools that meet your needs...and those of professionals in banking, education, research, and virtually every other field you can name.

#### The best of worlds is yet to come

Our vision of tha future includes whole libraries of information carried in mamory packets even smaller than a standard textbook. Visual memory banks that allow designers to create new works of art from stored images. Automotive microcomputers that recall routes, driving conditions and

destination data. And much, much more. We'd like you to share in the benefits of our scientific research, covering the naxt generation of microchips, sensors and other alectronic devices. For improved business efficiency. For a higher quality of life. Two goals we've pursued for 75 years as part of our commitment to a better world through electronics.

# Key issues for enterprise unit

unsure where to turn for help.

enterprise agencies and others could be improved or presented more effectively. Small business failures are running at a higher

rate than the Government would like—8 to 10 per cent annually according to one official estimate—and the unit

fecls that inadequate manage-

ment training is a prime cause.

But Lord Young might step in if the report's recommendations

The main difference between

the scrutiny committee and the Enterprise Unit is that the com-mittee is examining deregula-

tion from within the seven departments represented on it,

He emphasises that Lord

Young's working parties are un-likely to come up with any major new initiatives for assist-

ing small businesses. Their task is to attempt to improve the operation of what is already on offer. He says: "If we have a role, it is the expansion of what

LORD YDUNG. Minister without Portfolio expects to be able to report on ways in which the multitude of sources of advice. o report on ways in which the lovernment can improve its available to entrepreneurs could be better co-ordinated. There is concern that bodies like the DTI's small firms' service and Government can improve its small business policies by the

Under his broad mandate of 1911's small hims service and promoting enterprise and job the enterprise agencies might creation. Lord Young chairs not be reaching their markets four inter-departmental working as effectively as they could parties which are examining because small businessmen are parties which are examining measures to improve the train-

measures to improve the training of 14-18 year olds, small husinesses, competition policy and the reduction of controls and regulations.

The working party oo 14-18 year olds expects to report hy Easter, with a review of small companies policy to come a few months later.

months later.

Recommendations will be presculed to a cabinet committee chaired by the Prime Minister or a senlor minister, and are expected either to lead to a White Paper or to a series of administrative changes in the

of administrative changes in the departments involved in small firms' policy.

The working parties' efforts are being co-ordinated and backed up by Lord Young's controversial Enterprise Unit. The 10-strong team is still a long way from coming up with specific suggestions for improving the Government's approach to small firms. But it has revealed—in the most detailed indication of its intentions so far—that its staff are concentratindication of its inlentions so cannot decide on any action until they have seen the report.

ing on six main issues.

• Finance. The unit is concerned that the Business Expansion Scheme, under which sion Scheme, under which considerable political support. sbareholdes get tax relief on unquoted investments, may be attracting too many established companies and not enough genuine ventures in their early growth stages. It is also departments represented on it, anxious to tackle the so-called while the unit is taking an indeviced widespread complaints creation in general. "We are a that businessmen find it almost impossible to raise small impossible to raise small amounts of equity finance. genuine ventures in their early

amounts of equity finance.

Statistics. Inadequate information is making it difficult for the Government to monitor the effectiveness of the 100 or more small business measures it has put into effect. The unit is faced with the problem of bow to improve centrally gathered statistics on small companies' performance without creating more red tape.
Robin Lingard, the Department of Trade and Industry official who heads tho unit, stresses: "We don't want to fall into the elephant's trap of creating more regulations."

MOST large companies agree that they ought to show a sense of social responsibility.

One way to do this is to send executives out to work for Britain's 200-plus enterprise agencies or to other community bodies. But there are signs that corporate sponsors may be finding it less easy to be generous about this kind of secondment.

This concern was thrown into sharp relief this week by Buslness in the Community, a partnership of the private sector and local government, which aims to encourage companies to support small businesses in their regions. It unveiled two measures to add impetus to its attempts to persuade more companies to lend managers to en-Training. The unit is considering whether the wide variety of management training schemes offered by the Manpower Services Commission. terprise agencles.

BIC announced a pioneering scheme to attract young executives to work for enterprise agencies in London by provid-ing them with a year's manage-ment development diploma course while in the field. In a connected move, the group re-cruited Alan Dow, 61, personnel director for the London Elec-tricity Board for 12 years, to organise a promotion effort to be directed at corporate sponsors later this year and to re-view the difficulties experienced

At least 1,000 senior executives are currently working on full-time secondment to enter-prise agencies and other com-munity bodies, where they pro-vide valuable training and advice for budding entreadvice for budding entre-preneurs as well as—ideally at any rate—benefiting their employers through the education they acquire on the process.

But there are signs that the demand for their services is beginning to outstrip the supply. As corporate sponsors more streamlined management, they are finding it less easy to justify farming out experienced managers for two years to work for enterprise agencies.

And they are unwilling to unload low quality executives to such bodies because that gives them a bad name with the small companies they advise, who could one day become customers. Moreover, it is an certainly not taking over their jobs—indeed we depend on their support," says Lingard. unsatisfactory way of deferring thorny decisions over redund-ancy, even if secondees salaries are tax deductible while they are in the field.

Alan Dent, community in-volvement manager for Marks & Spencer, admits that it is becoming more difficult to pull young and middle aged executives out of the business.

"Secondment is a very effective way of giving something to ing energy in a profligate way a broker between companies the community. But having to people who can't afford it." and enterprise agencies, ensures said that, our business is exbe adds. The fact that Dow is ing that people and informa-



# Why charity begins with self-interest

William Dawkins on pros and cons of secondment

panding and good people are therefore not available to go on secondment," he says. Marks & Spencer now has 13 employees working outside the company on various small business and amunity projects, as against 19 last July. Dow's boss, David Jefferies,

chairman of the LEB, voices a contrasting view, which provides a revealing example of the ena revealing example of the enlightened corporate self-interest
on which the success of secondment depends. He poiots ont
that rising unemployment—the
GLC announced last week that
unemployment in London had
topped 400,000 for the first time
—Is damaging his business.

Last year, the LEB had to make a £7m provision for cus-tomers' had debts, and a further £10m of revenue was lost through meter-fiddling, "That is a significant amount of money for us. We felt that if we could help in some way to redoce unemployment, that would be of direct henefit to the London comunity and help us as a business," says Jefferies.

"There is no point in us sell-

nearing retirement also has something to do with it. His secondment allows the LEB to move Dow's eventual replacement into the job for a trial 18 months while he is still on tap to help and advise the personnel director-to-be.

"It's an intelligent way of getting a new groun of peonle in to replace an old group," says Jefferies. This could be one reason why—according to anecdotal evidence—a growing number of managers available for secondment are near the end of their careers.

As far as BIC is concerned Dow's appointment is a recog-nition that advice from working managers has become such an important tool in getting small husinesses under way that the group needs a full-time executive to promote and co-ordinate secondment.

Dow explains: "It's an easy idea to sell to company chairmen, but it's much less easy to sell secondment to personnel and line management who have to make sure it works."

His first task will be to act as

tion reach the right targets. Beyond that, there are several specific problems Dow aims to ackle, including the anxieties that many executives experience while on secondment.

He is keenly aware of the danger of secondees getting out of touch with their employers while they are away, with the result that they feel worried about the future and doubtful about the personal value of their enterprise work.

"It can be very discouraging to get back to a job and find that you have been forgotten. We can never ensure promotion, but we can at least make sure that they are kept in touch with a senior person," says Dow.

He will also be emphasising to company sponsors the value of agency secondment as general management training for younger personnel. One step in this direction is the young executives one-year secondmen scheme announced by BIC last week, its first specific attempt to attract management aged between 25 and 35 to assist small firms.

Launched in conjunction with the City University Business School, it entitles participants to sit for an MBA degree after return to their companies and part-time studies for a further

While on secondment, they will attend lectures and tutorials at the business school one day at the business school one day a week. Sponsoring companies pay the £4,000 City University Business School diploma course fees, plus another £2,500 if the participants go on to

BIC's Christopher Norman-Butier says 10 groups have shown interest, including the Treasury, nationalised indus-tries and several major engineering and computer com-panies. The course is aimed at people who are completing their training before taking up a responsible post within their companies. companies.

"The idea is to provide a mix-ture of the theoretical side of management training with an experience of the wider problems of dealing with small companies. It's a blend of the rough with the smooth," says Norman-Butler.

He is unashamedly looking for the "cream" of young execu-times. An ambitious target perhaps—but if the course proves as useful to the sponsoring companies as it does to the small husinesses their employees are helping. It could set a new trend for secondment.

BIG is already talking to Durham and Glasgow universities about starting similar courses, and other institutions may fol-low if the London scheme is a

### The business plan is the key to all finance

The HOW TO of...

MANY PEOPLE spend weeks preparing a sales presenta-tion to a major customer but It never occurs to them to take the same care when seeking finance from a bank manager or potential backer. Whatever type of finance is needed — whether it be equity investment, loans, overdraft facilities, factoring, leasing or any of these in combination — certain prin-

combination — certain prin-ciples are universal.

The husiness plan is the key. This is not just a start-up document to be forgetten once trading is under way, but the starting point for all future budgeting, forecasts, and yardsticks for measuring

success.

Updating the figures in the plan each year — from a basis of actual performance — will usually be rewarding in itself, forcing analysis of past variations from budget and better forecasting of the period

ahead.
It will also ensure that the small husiness owner-manager always knows what finance is likely to be needed.

Numbers are the starting

point—a forecast of profit and loss for at least three years ahead, with firm forecasts of what the husiness hopes to achieve in the immediate future. You can work it out on multi-column analyses sheets on sale at any stationer's or by using spreadsheet software on a

home computer. Sales revenue is put along the top line on a month by month basis and monthly costs go underneath. The famous "bottom line "-profit or loss—is then obtained by subtracting costs from revenues. Negativo figures will show how much finance you will need and when, If you have no access to a

microcomputer your local enterprise agency probably has and may be able to help with some "What if . . ?" variations, so that you can quickly work out the effect of not making sales targets in any period or of costs rising suddenly. Such exercises are needed for preparation of "optimistic," "pessimistic," and "likeliest." forecasts. Banks and other backers will know that you have done your homework if you can provide this sort of information.

this sort of information. But the plan is not just about numbers. John Ormerod and Ian Burus of the Arthur Andersen, the accountants, have reported that one experienced venture capitalist rejects out of hand 85 per cent of business plans. Of the 15 per cent of the per serious come. per cent given serious consideration, only one-third get to the negotiating stage.

The business plan's appeals therefore crucial. It says a lot about you, your ideas and your business. Properly pre-sented, it will reassure a fin-antier that money risked will be safe and will yield a good

You must explain why the financial projections are likely to turn ont to be true. Start off by writing a summary which will "hook" the reader. The likelihood of good

reader. The likelihood of good returns is what userers want to read, so excite their interest by giving them what they want.

Then, cover history, products or services, markets, marketing, competition, sales and pricing, manufacturing and/or operations, and management. Make people believe yon can make the plan happen. Tha financial analysis should follow. Omerod, and Burns suggest covering risks (and how to minimise them) and rewards (such as the possible eventual worth of the business). They would also add a timetable of milestones and key deadlines. and key deadlines.

Treat banks or potential backers as you would your most vained customer, even if you are shopping around sev-eral of them for funds. Writa the plan yourself—so that it smacks of you and your determination — but get your accountant to check it. And whatever you do, think of the busy reader and don't run to more than 15 pages,

Ian Hamilton Fazey booklet containing oll lon A booklet containing oil ion Homilton Fazey's "How to ..." articles will be published shortly: Inquiries regarding bulk orders ahould be made to Nicola Banham, Publicity Department, Financial Times, Bracken House, Cannon Street, London EC4P 4BY Single copies will cost £3.75.

# **Business Opportunities**

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

#### DIRECTORS or EXECUTIVES

REAL ESTATE FINANCE FOR CORPORATE AND PERSONAL USE

Advances of £50,000 to £1 million available to sound trading companies and executives on specially ettractive tax-efficient terms. For dotails please write your name on a letter heading and post to us today:

> Dept FJ8/DS Abbey Life Ingestre Court, Ingestre Place, London W1 (we regret no telephone enquirles can be accepted)

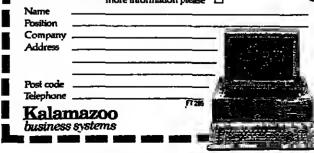
#### ATTENTION MANUFACTURER OF ELECTRIC AND ELECTRONIC EQUIPMENT

If you would like to associate with a division of a corporation listed on the New York Stock Exchange for the sale of your product to electrical, electronic or climate control distributors in either 100 countries worldwide or to 2,500 distributors on the North American continent via 76 representativos. Please no computer hardware/software communications equipment

Send full detailed specifications and prices to Box F5485 Financial Times, 10 Cannon Street, London EC4P 4BY

# Looking for a business computer?

Everyone's trying to sell you a computer these days. But how many are really prepared to support your system, so that it actually works? Making systems work has been Kalamazooo business for over 80 years. So it's natural that we should now be offering the most up-to-days solutions, appliable beday Completing the templage of the date solutions available today. Combining the technology of the Sperry Personal Computer with an extensive range of business software, a telephone advice service, and comprehensive support. Kalamazoo can provide the right system for your needs - and one that will grow with you. Cut the coupon and find out more. To Kalamazoo PLC, FREEPOST, Northfield, Birmingham B31 2BR. Yes. I would like a free demonstration please more information please



Look to Kalamazoo for the support you need



Provided you act soon, we could have just the property for you. Freehold small workshops

superbly built to the highest specification standards in a Zone A location in Somerset.

Send for a brochure now - waiting a day longer

could mean waiting for ever.

Contact Richard Timmis on (0935) 24251 or (093586) 2516 outside office hours.

BARTLETT The Abbey, Preston, Yeavil, Somerset BA20 2EN. Telex 46246

#### U.K. COSMETICS, FINE FRAGRANCES AND TOILETRIES DISTRIBUTION

Wo are a well established independent distributor of quality tolistries and cosmetics to the UK retail trade. Our castomer base of some 2,000 accounts includes 200ts, the major department ators chains and lesding independent chemiots. We enjoy an excellent reputation for 347vice and a proven record of success with the products we distribute on behalf of our principole. We employ out own sales force of ten and can provide complete brand management and arockholding distribution if required. We are now seeking additional sels distribution agencies from overseco or demosite principale with a minimum sales potential of £500,000 at trade prices.

Please write in strictest confidence to: The Chairman, Box F5489. Financial Times 10 Cennon Street, London EC4P 48Y

#### Distributors Required

Stenlose Awning Company A/S, manufacturers and producers of top quality awnings and canopy awnings are looking for U.K. distributors of high quality products. For further information please write to:

Stenlose Awning Co. A/S 4 Frydensbergvej DK 3660 Stenlose, Denmark

#### Substantial Funds

available to purchase for immediate payment (banker's draft or telegraphic transfer), consumer branded goods — home markat or abroad. Particularly interested in photographic/electronic/ office products but will consider any merchandise (not perishable

or foodstuffs).
Goods will be offered to our workfwide network of agents in agreed defined market areas. Absolute discretion and proof of

Principals only. Please telephone lelex 01-5411828 Tlx: 261759 (ref WVM) 06284 75765 Tlx: 849898 (ref.HS)

# **COAL PROPERTY** IN U.S.A.

34 MILLION TONS WITH LOADING FACILITY ON TO OHIO RIVER IN HEART OF HEAVY INDUSTRIALISED AREA

OWNER WILL CONSIDER SALE OR OTHER DEVELOPMENT PROPOSITION

> Enquiries to: 4 Lowndes Street, London, SW1X 9ET, England

### **Maximise Your Leasing Profits**

**EXISTING LEASE PORTFOLIOS ACQUIRED** FOR IMMEDIATE SETTLEMENT

Increase your available cash resources Remove the uncertainty of future rental adjustments Deferred tax liabilities avoided

Contact Iain Mackintosh Baltic Leasing Limited, 1 Great Cumberland Place, London W1H7AL Telephone 01-402 3247

#### MICROMODEM LIMITED

Up to £500,000 risk capital required urgently to leunch sales and production of unique UK developed hardware plus software plus VANS low-cost homo/business microcomputer datacomms package. Well researched project with seasoned management and development teem available. Prepared to offer attractive deal for speed, and in view of possibility of immediate OTC quotation. Could suit existing pic or ostablished micro supplier/dealer.

Flesse write immediately to Box F5498, Financial Tim 10 Cannon Street, London EC4P 48Y or Phone (0521) 891776

#### ENGINEERING/TECHNOLOGY COMPANY SITUATED IN GREATER MANCHESTER

The Company has designed/developed its own profitable range of products and the recent diversification into technology has resulted in a taped growth in turnever and profits. The latest eix monthly management secounts project a tureover in excess of 22,000,000 for its current financial year and pre-tax profits before directors' bonuses of over 200,000.

Write Box F5497, Financial Times, 10 Cennon Street, London EC4P 48Y

#### BUSINESSES IN NEED LTD.

(Part of Brantwood Property Investment Trust) FINANCIAL help and ADMINISTRATIVE assistance given to companies who are in difficulty trading, or in expanding initial meeting in confidence no obligation TEL: 03722 77955 - STEPHEN MEYER 65 THE STREET, ASHSTEAD, SURREY KT21 IAA

### TEXTLITE AREA DISTRIBUTORS

DO YOU NEED PROFIT? DO YOU ALREADY HAVE A SALES FORCE? CAN YOU SELL? WOULD YOU LIKE A PRODUCT THAT
CAN BE SOLD TO ANY BUSINESS?
THINKII ABOUT A PRODUCT RANGE WITH THE
ADAPTABILITY TO HELP ANY BUSINESS, AND THE
VERSATILITY TO HAVE SEVERAL USES WITHIN

ANY BUSINESS ... As a leading company in the electronic moving aga market, we are expanding our dealer retweet. We require wall established companies with an orea based direct soles love but we will also consider a new business. You must be prepare to stock the products.

The company offers excellent monketing support (leads supplied), excellent profit margins and an expending sunge of competitively proced quality products.



EXPORT SERVICES INVOICE DISCOUNTING ARBUTHNOT FACTORS LIMITED
Braeds Place, Hastings Tiss sog Tel. (0424) 430824

Vis Tol 091 417 8188

BIRDANGHAM BRISTOL (0272) 279555 021-543 8068 MANCHESTER NEWCASTLE NOTTINGHAM 081-8951114 (0832) 614545 (0602) 536821 LEEDS (0532) 444570

> LEASING FACILITIES AVAILABLE NOW



#### John Lenton/Meyvyn Bryant/Ross Millard AITKEN HUME LEASING LIMITED 30 City Road, London ECIY 2AY, or Telephone: 01-638 6011

REVERSIONS



Gentleman, aged 82, owns freehold of interesting house in Bedford Park, W4, valued at £360,000 including contents. Wisbes to sell and lease back for his lifetime at low rent. Please contact: BRECHER & CO. 7g Brook Street, London W1 Ref: AEL

FINANCIAL MANAGEMENT Preparation of CASH FLOWS, AUGGET FORECASTS, CORPORATE TAX AND INVESTMENT PLANS Negoliations with EANKS, 2UYING AND SELLING A 2USINESS Advice on GRANTS. RAISING VENTURE CAPITAL, 2USINESS START-UP SCHEMES Professional help and quidance svallable from group of qualified and experienced individuals

### NATIONAL MULTIPLE RETAILER

Phone or write for appointment: FMC2 FINANCIAL ADVICE 5 Preed St. London W2 1NJ · Tel: 01-200 0165 Martin Stone · Teles

with over 150 units in prime locations wishes to complement existing product range by introducing in store concessions for both merchandise and customer services. Interested parties send details to Box F5494 Finoncial Times, 10 Connon Street, London EC4P 48Y

And the second 

#45 #4-5278

FILTRA

CUR'

FITME

710.75 CALIFORN

A Pi DIET BO

# Business Opportunities

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

#### REDUCE THE BURDEN OF CORPORATION TAX

Our successful and profitable corporate clients now errange their affairs, with our assistance, so that they pay little or no

This can be done with virtuelly NO RISK and will result in a For full details, without obligation, just write your name on a company letterheading end post to me today. Managing Director (Dept. FC4) ACKRILL, CARR PLC

Tricorn House, Hagiey Road, Birmingham B16 8TP (We regret no telephone enquiries can be accepted)

"ONE DAY I'LL SET UP MY OWN ACCOUNTANCY PRACTICE"

**HOW ABOUT TOMORROW?** 

AS Ray Evans of Northington Oldwith the technical support and
marketing back-up of RBS, As an
marketing back-up of RBS, As an
RBS Associate Ray is going from
strength to strength, When things
are going well they leave me along
the says, but when I need help or
guidance, its reassuring to know
that RBS are always there initial
investment E0,000-E12,000. Sound
accountancy experience essential.
Send for literature and application
form today.

Patrick Crayford
LLS ROS LIG THE
REGIONAL THE SECOND
ROAD THE SECOND SEC

**GENEVA** 

FULL SERVICE IS

OUR BUSINESS

Law and Taxation
Mailhox, telephone and
talex services

Translation and secretaria

Formation, domicilistico end udministration of Swiss end foreign companies

BUSINESS ADVISORY

SERVICE S.A. 7 Rue Muzy, 1297 Geneva Tel: 36.05.40

BES CAPITAL

REQUIRED BY LEISURE

An opcortunity exists for a share-holding in a company building a new leasure project on a Kleider Lake. The Initiol construction of 75 Sean-danavian cryle log houses for both sale and letting will be followed by restaurant and hotel facilities with prospect of both repid capital graws and increasing income.

Full datails from our edvisers; BELMONT SECURITIES: PLC (Licensed Deslers in Securities) North Eastern Chambom Station Source, Herrogate North Yorkshim HIG1 15Y

ZUG/SWITZERLAND

★ Formation, domiciliation and administration of your

own 5wiss company Fortfolio Management Low corporate and

individual taxation .....

For further latermisten call or write:

- Consulting & Agency & Zoughouse 7 a, CH-6301, Zug
Tel: 42/21 58 44 - Talox: 865446
Tel: Monto Carlo 93/60 94 78

WANTED

UK MACHINERY MANUFACTURER/ DISTRIBUTOR FOR PATENT AND DESIGN REQUESTED

Skid steer freet and loader uuccessfully being sold in USA, Canada, Singapore: Middle Eest and Australaeia

High salex record, 100s of market applications market applications
Australius company director in UK
PHONE: 0252 543966
Telexi: Australia AA43470

UNUSUAL INVESTMENT

OPPORTUNITY

PW and RJS rus u small prostable export merchants highly specialized in one particular runes of products.

From time to time maoutecturers a firman special lots to dispose of over-vex st very advantageous prices.

Unfortunately PW end RJS - tot-talways lave the cash special control of the control of th

BUILDING PRODUCTS

AND SERVICES

Major plc in building secto

agor-pic in building sector geology and sector and sector of investment in or acquisioon of companies in similar activity Write to The Chaliman Box F5482, Finencial Times 10 Cannon St. London EC4P 4BY

ENTREPRENEUR

to take over as Managing/Marketing Orector of a company based in the South of Sentend with anduse product selling into private and industrial building sectors. Handled property the company has USM potential Recurrence and in the minimum that several approach with the minimum that several september of the Recurrence o

CITATION III

UNDER 200 HOURS

MOST OPTIONS

Principals Only

Write Box F5466

10 Cannon St, London EC4P 48Y

NON - EXECUTIVE

DIRECTORSHIP

Sought by ex Managing Director with 25 years international Airfreight experience at

corporate level

Write Box F5491, Financial Times 10 Cannon St, Landon EC4P 48Y

#### HODSON AND ASSOCIATES

at last of the

us us in

PHER LON

lan is

 $\mathbf{nance}$ 

. . . . . . . . . . . . .

11.00

Lamilton Fa

74.7% 2.7% 2.7% 3.7% 3.7%

11.5

BUSINESS EXPANSION SPECIALISTS SPECIALISTS
How do you upot the next Henry
Ford befern he launchon his compunt? As businese expansion
upoclulists our network of commerciel
end industrial accountants,
patoni experts and marketing organiuntions udvise over 600 individuals
every year on how to commercialise
their upometimes brilliant business
their upometimes brilliant business
to introduce inventors end
investom. If you care to join the
register or receive case summaries
which may enable you to catch enising art whilst is a still below
most investom horizons.

Reput to Mad Horizone.

Repy to Noel Hodson HODSON & ASSOCIATES 14 Brookside, Oxford OX3 7PJ Tel: (0865) 69384.



CAN WE HELP! We can provide both cepital and management expertise to companies that have a new product/ventum but lack the resources to ensure

a gucceae.

In the first instance please write giving a detailed outline of your proposel to:

The Managing Director
ASHWELL INVESTMENTS & MANAGEMENT LIMITED

TO THE BOOM STREET 42/45 New Broad Street London EC2M 1QY

#### FILTRATION

Recently acquired small filtration company currently limited to paper, company currency immen to peper metal elements needs prowth. We would be interested to hear from poople seeking challenging oppor-tunities who can contribute filtration: expertise in seles and engineering. vovide: Write in confidence to: Box F6484; Financial Times 10 Cannon St. London EC4P 489

#### CURTAIN **FITMENTS**

London besed wholesalers with textile interests supplying soft furnishing reallers throughout the UK seeks a merger with a substantial company spile to exploit our existing regional branch network and national sales force. Objectives would be to expend product range and increase market shere.

Contact the edysticser:

Box F5414, Financial Times to Cennon St. London ECAP 4BY

OF DRILLING MATERIALS! POSTEMENT Substantial coantities, various surplus materials, ex Aranco, immediately available. Wer comeditive prices. Unserprise condition, much in original pacing, includes, includes, exciters/frussormers, etc.

Geostal-linds Electrical Fittings.

Rectifiers/Trussormers, etc. Figework.

Many other items being crtalogued.

Purchasers interested in prober details contact: M. BRANCH LTO.

TOTAL Close, Gamenty, Shropshire SVII TSZ Fet: 07 661 657322. Telest 35682 ERANCH G.

PARTNERSHIP

Wealthy land owner, assets film, seeks new investment opportunity in property investment, development or construction, 100% finance, ar partagrahip in a targe botel lessure complex with accommodation. Write Box F5483, Financial Times 10 Cannon St. London EC4P 4BY

CALIFORNIA MFG/SALES
OPPORTUNITY
Menutactums of precision equipment
and mechanisms for the electronic,
aciannific, industries would like to
manufacture and sell your product
in the U.S. Please write ts:
K. D. Cunningham
KENLAB CORP
14710 Wicks Slvd, San Leandre
Californie 34577, USA

A PRESTIGIOUS

HOTEL BOOKING AGENCY

ie looking for a sultable package looking for a stitude parker and computer hardware Please write Box F5482 cinancial Times, 10 Cannon Street London ECCP 4BY or cell 01-589 9171 for further details

SPAIN/EEC SPAIN/FEC
Experienced businessman seeks
rapresentations of companies interested Spenish market considering
forthcoming entry into EEC Very
well introduced wine, stact scrar,
shipping, transportation sectors sed
industry in general. Office end telex
eveilable. Write to:
ROMEN, Plaza de Espana 5
48001 Silbao, Spain

SMALL UNIT

Principals only ring 0942 495077 Birchley Leasing Limited Birchley House 1 Dioconson Terrace, Wigan

IBA **AVAILABLE** 

1985 Local authority covenant 8% yield Lot size £1.2 million

Write Box F5488. Financial Times. 10 Cannon Street. London EC4P 4BY

FINANCIAL DIRECTORS BIG SAVINGS PLUS UP TO 75% The allowences on NEW AIRCRAFT PURCHASES Amade before 31 March 1985.
Avoid unnecessary curporation
tax liability. PHONE JOHN
GILMAN NOW ON 0532 501450
OR TELEX: 557465.

THE JESSEL GROUP Members of NASDIM Heve ellents wanting Shells.
P.L.C.s in need of reorganisation and acquisidone
Management control assentis OLIVER JESSEL

Reigate (07372) 45733

VENTURE CAPITAL Wast to raise venture capital to start or capital violent viole

AUSTRALIA/ASIA EXPORT Your products marketed/representation securives throughout region for less than you think. Oirector Australia-based agency visiting UK mid-February seeks additional 24 select agencies for representation on ehured-cost basis. To arrange eppointment call: Robert Youngman 061-973 9705

### COUNTRY STOCKBROKER

City of London-based associate member wishes to contact country stockbroker with a view to opening a London office.

Please reply Box F5480 Financial Times 10 Cannon Street London EC4P 4BY

DEC PDP123 Commuter System 16M3 & 18M0 Fast Disk 25 Kb Memory, 4 serial Res modern line, VOU and Matri Printer RSTSE/6 Operating System.

SOLE DISTRIBUTOR SOUGHT For patental groduce imps selling through grocery, herdwara and departments! stores. The products am profitably established in a number of markets outside Great Britain. Strong merketsom with established trade connections pieces

PRIVATE and

DESIGNER/VISUALISER Write Box F5496, Financisi Times 10 Cannon St, London ECAP 4BY

of sophisticated and humorous Greetiegs Cards seeks contact with Entrepreneur with Publishing Interests. Some capital input possible

# **EXEGUTIVE**

• OFFICES

ELONDON W.1 Fully furnished air-conditioned Executive Offices at prestige WI eddress available Immediately for periods from one month Services Include:

\* Telephone

\* Telephone

\* Telex

\* Facsimile

\* A/V Presentation Studio

\* Conference Rooms

\* Secretarial Services (WP)

\* Photocopying

Please contact: Pam Farrow

Network Nine 19 Stratford Place, London Wiln SAF Tel: 01-623 9999 - Telex: 291428





London.
Vielt Enton Medical Centre
Enton, near Godatming, Surrey
GUS SAL - Ring (042) 879 2233

C2.10 P.W. FOR ECZ AODRESS combined with phana messages and talest under E6 a week. Prestige office agar Stock Exchange, Massage Minders inter-pational, 01-628 0039, Telec 8611725.

728311.

MARRIE ARCH OR W.1.—Confidential accom sele. tal. answ., telex, secretarial and 'hybery strivete official. C. & S. Group, 07-402 9461.

# Office Equipment

#### ANTIQUE OFFICE FURNITURE FOR EXECUTIVE OFFICE OR BOARDROOM

Why waste money on a deprecieting asset when ordering new office furniture? The sensible way to furnish is by leasing fine English Antiques which, when compared with modern office/reproduction furniture, can often be more competitive and also have the big advantage of an appreciating asset coopled with efficient tax planning Send for details to Box F5487, Financial Times 10 Cannon Street, London EC4P 4BY

#### **Business for Sale**

BY ORDER OF THE RECEIVERS & MANAGERS KEITH D. GOODMAN FCA & PHILIP MONIACK FCA

#### **MAJOR BUTTON & FASHION ACCESSORIES** CONVERTER & WHOLESALER

Offers are invited for the assets (including goodwill) and/or the business of a major button and fashion accessories converter and wholesaler.

Having been established for fifty years, the company is an approved supplier to garment manufacturers for several "household name" retail groups. It owns and trades from a substantial freehold premises in North West London, enjoys an annual turnover of approx £1.5m. and possesses a sizeable stock, large order book, trained and experienced staff and its own specialist dyeing, testing and laboratory equipment. Reply in the first instance to:

> Keith D. Goodman FCA Leonard Curtis & Co PO Box 553 30 Eastbourne Terrace London W2 6LF

#### INVESTMENT

# PROPERTY/LEASING COMPANY

FOR SALE

Assets Comprise:—

Leasehold office block (12,000 sq ft) and various adjoining industrial buildings totalling a further 47,500 sq ft. Currently 80% let and producing a net annual rental income of £30,000. When fully let, rental will increase to £55,000 per annum. The site covers 5.39 acres and is within 30 miles of Cardiff Airport and 1 mile off the M4. Leased assets principally leased to major public and private companies, which will produce a lease rental income in excess of £1 million during the next 5 years. Cash on deposit of £100,000.

A purchase price of £750,000 is sought and interested parties should apply to:

Ackrill Carr Plc

(Mergers and Acquisitions Division) Tricorn House, Hagley Road, Edgbaston, Birmingham B16 81P or telephone 021-454 5121 and ask for Kevin Billings (Members of the National Association of Security Dealers and Investment Managers)

# **Precision Engineers**

Croydon -

Business and business assets including modern freehold premises available for purchase from receivers. Annual turnover approx. £400,000. M.O.D. approved. Substantial

For further details contact Joint Receivers and Managers at the address below. Tel: 01-681 5252 or at the companys' premises, tel: 01-684 0341.

Deloitte Haskins+Sells

42 Dingwall Road, Croydon, Surrey

# POWDER COATING COMPANY

We would wolcome any serious enquiries to acquire our Powder Costinp Company situated to the West of London.

The Group wish to "withdraw from this business to concentrate on their major activities. their major activities.
Facilities exist to coal aluminium extrusions, sheets and smell components together with steel products. A large investment programms was completed last year. Working from lesschold premises of approx. 24,000 sq fr it is capable of esles in excess of £700k per annum, and has £160k of capital employed. Taxation losses could be evaliable to

Would interested parties please contact: Mr R. Fieldhouse PEARCE & CUTLER GROUP LIMITED 175 Electric Avenue, Witton, Birmingham B6 7EH

### **Video Production** & Facilities House

For sale as e going concern in London W1, occupying 2,500 sq. ft.

Excellent client list and production team. Extensive equipment consisting of digital effects, one-inch VTR machines and editing suite plus sophisticated sound recording unit.

Details from D. Gilbert or D. S. Woolf

LEVY GEE 100 Chalk Farm Road London NW1 SER

#### CHINA SHOP

China and glass retail shop, situated Midlands City Centre. High turnover, modern fittings

> Write Box G10463, Financial Times 10 Cannon Street, London EC4P 4BY

FREEHOLD FOR SALE SERVICED OFFICE CENTRE SERVICED OFFICE CENTRE

Existing owners seek private sole.

Susy sentre in thriving West of 
England city. Excellent motorway 
consections. Suitding of eceglamorous Victorise vintage, split 
into 17 units/roome totalling over 
3.000 sq ft. Recaption eres complete 
with metered phones, telezas, p/ 
copier, ott.

Annuel income from site lee, rent 
end sarvices £55,000. Would out 
either axisting operator for expaneion or private investor, poseibly 
husband/wide team.

For further detaile:

TEL 0272 523038

SOUTHDOWNS ASSOCIATES LTD SOUTHDOWNS ASSOCIATES LTD
Am instructed to offer for sale the
assets end stock in trade of a host
building end marine company to
include complete and unfinished
hulls, from 10ft dioshles to 40ft
sailing eraft. Moulds, fittings,
sociasories, office equipment,
eperes, joinery end epraying
mechinery, traiem, trailles, erenes,
etc. All enquiries to:
C. Radiven. Southdowns Assoc Ltd
Tudor Nouse, 5 Southdowns Drive
Hale, Altrincham, Cheshire
Tel: 061-834 1053 office
061-841 1251 bome

SQUASH & HEALTH ESTATES. evalizbia UK-wida, (0273) 728666

FOR SALE

COMPLETE GLASS SEALED

UNIT MANUFACTURING
PLANT

SITUATED WEST MIDLANDS

4,000 sq ft jactory an lease, heated
throughout, complete with ell equipment required for hermatically
sealed unit manufacture. Price far
whole le reasonable und would be
ideul for someona who is excelling
new venture or diversification within
the flat glass Industry.
Wrize Box G10452, Financial Times
10 Cannon St. London ECAP 48Y

#### ENGINEERING COMPANY

SPECIALISING IN Seehs buyer due to imponding ratirement of MD. Long established, very versatile and consistently praktable. Ideally would suit manufacturing company seeking quality toolroom but other aptions considered. South London location. Write Sox G10448, Financial Times 10 Cannon St. London EC4P 48Y

BEAUTIFUL CONVERTED KENTISH OAST

Luxury 5 9adroom private residence with full planning permission granted for a 12 bed residential Care Home for Elderly AUCTION 27th MARCH Office Invited price. Offers Invited prior Ring 0732-865046

#### CHRISTIE & CO.

ECONDON
WEST FIND AND CITY
Established quality Menswear
tallers, Group '7/0 in exce
\$1.2m Qa. from prime sized Considertially available. Price £430,000 to include valuable leases. poodwill, Extures, fittings and Socialili, Incurse, Stock, Stock, Street, London WTM 28U Tel: 01-485 4231

**HEAVY PLANT** 

Engineers epecialising in Sale, Overhead and Rabullding of Tracked Units. Very prafitable prowing business with continuing potential home and overseas. Pleasa write for details to: Box G 10449, Financial Times 10 Cennon St. London EC4P 4BY

ESTABLISHED LIMITED COMPANY flue to sending retrement of the pro-prietor. Rebail of technically based products for leisure to commercial and erofestatonal customers. Moders omces and retail outlet is prime trading area of U north west city contre. Written replies only alease th: Mosars, Lawton Coppect & Hart (Solicitors), t 6 Tib Labe, Cross Street, Manchester M2 4/A.

#### FOR SALE

Very profitable, long established PRECISION TOOL & MOULO MAKER Sales £600, profits in excess of £100,000. West Midlands Write Box G 10461, Financial Times 10 Cennon St., London EC4P 4BY

PRIVATE COMPANY IN ELECTRO PLATING IN LONDON AREA Modern Freshold Factory and Office 19,500 sq ft. Automated plans overing most applicationu Interested principals please reply to Box G70457, Financial Times 10 Cannon St. London EC4P 48Y

FOR SALE

HIGHLY PROFITABLE
SPECIALIST FASTNER GROUP Sales £1m with menufacturing and distribution

Location West Midlends Write Box G10459, Financiel Times 10 Camon St. London EC4P 48Y

International

#### U.S.A. WHOLESALE BEER DISTRIBUTOR

Salea \$22m - Profits \$1.2m Net worth \$3m - Price \$6m with \$3m down payment Write Box G10446, Financial Times 10 Cannon St. London EC4P 4BY

OPPORTUNITIES IN SPAIN Take early advantage of Spain's EEC aptry in Junuary '891 We represent a wide water of motable Spain's Companies (most industries—annual sales to £40 million) seeking to metable or be acquired by foreign companies. EEDIBECTION, S.A.

Pasto Mellorca 25 Falma de Mallorca 07012: Spain. Telephone (34-71) 21-20-40

LEASING BROKER requires additional lessors

NEW PRODUCT OVERPRINTING MACHINE FOR COMPUTER FORMS. INCUSTRY £50,000 will secure 40% shereholding. Would also consider suitable working partner. Returns chould be excess of 50% coventment per year Full details on application to: Box F5481. Financial Times to Cannon St. London ECAP 48Y

West London

50% first year allowance Completion February

rrits to: Box F547\$, Financial Times in Cannon St. Londoo EC4P 4BY,

PUBLIC Co's

RAISE CAPITAL WITH A DEBENTURE Write Box F5165 Financial Times 10 Cannon Street, EC4P 4BY

E.S. INVESTMENT, Expanding machinery service and supply company requires injection of share capital to finance srowth. London based, Good trading record and bloovant order book. Con-MULTINATIONAL trade consulting co seeks entreprendurial individual(a) to open Loddon office, London laterviews end-March Bridge (a) LSA LSA SOGES, 7sl. (212) 020-8185. Teles \$217276.

THINKING ABOUT

AUTOMATION?

How about a single mechine that can weld, cut, heat-treat

and hard-face?

Join other UK companies in guiding developments in automated manufacturing and

other laser applications!

JOIN OUR

LASER CLUB

The next round of our

programme starts on 21st February.

Dr. Ian Spaiding Laser Applications Group Cultiam Laboratory Abrigdon, Oxon Tel. 0235 21840 Ext. 4253

DANISH BUSINESSMAN

Seaks partnership with either private person ar established brahere. O years experience within Denish bond markst end Swass money market.

Piesso zalex, write or call:

5.E.S. Rosbacksvel 11

2100 0 Denmark - Telex: 27449 or call 45-1 312063 mornings 11-13

DISTRIBUTORS

required

Manufacturer of unique mobile und static ostating hicaks with many versatile uses required distribution to meet proving demand in ell parts of the UK. Minmum inventory investment: (2.000.

Write Box F5480. Financial Timps 10 Cannon St. London EC4P 48Y

COMMERCIAL FINANCE

COMPETITIVE RATES

Auuel Based Finunce

Coastruction Finance to 100%

SOVEREIGN INSURANCE CONSULTANTS (LONDON) LTD

TEL: 01-379 6322

INVESTORS REQUIRED for First Class Theorical Town with Star names. Con-tacts Scorelo on 01.458 8550. Outchly Arranged for Int. loss wantestions. Corporate Jundings, Tel, 0962 P63167, Teles: 877370,

LANCASTER. High violding modern lock-us garage investment producing £5,000 gas. Yield 3-3-3. In the improvements. Price £5,775 Preshold. Authory Moltzer & Company, 35cs Segents Park Rd Lancom M32Ln, 01-349 B949.

11% Fixed Interest Mortgageu usingsa Finance to 80% of cost

**Business Services** 

LOOKING FOR CREDIT CONTROL STAFF?

CONTACT RECEIVABLES LIMITED

USE OUR PROFESSIONAL STAFF FOR

TEMPORARY OR PERMANENT APPOINTMENTS

WE ARE SPECIALISTS IN ALL ASPECTS OF CREDIT MANAGEMENT

BO High Stroet

Harrow-on-the-Hill

Middlesex HA1 31L

Tel: 01-32 3355

Tele: 867287

CONTACT MALCOLM ELECT CH. 4.022 2025

CONTACT MALCOLM FLEET ON 01-423 3355 DO YOU NEED MONEY?

£50,000—£5,000,000 hee been mised for our clients' realistic business propositions or property schemes by correct analysis, presentation, identification of appropriate sources of finance and detailed negotietions. Can we seeks you? For an bonest discussion without obligation, please contact:
PROPERTY AND FINANCE CONSULTANTS LTD
63 Coleman Street, London EC2 - Tall 01-528 4545 - Telex: 8813

FINANCE FOR INTERNATIONAL TRADE Globewide Finance has concluded arrangements with a major Financial Institution to provide facilities for-import/export. back-to-back credits, pre-shipment finance and Internetional

trade guarantees, bonds, etc. Principals only should contact: GLOBEWIDE FINANCE LIMITED 77 Moscow Road, London W2 7EL Tel: 01-727 6474 Teles: 8953620

**Growth Businesses** Public Company with substantial cash reserves would like to hear from euccessful privately held growth businesses with a view to discussing the possibility of a reverse takeover situation Write with preliminary details in confidence to: Chairman Box G10412, Financial Times, 10 Cannon Street, London EC4P 4BY

INTERNATIONAL, COMPANY
FORMATION UK/OFFSHORE
IMMEDIATILY AVAILABLE
INMEDIATILY AVAILABLE
INVESTMENT AND LIBERS,
PROBLEM, Chemel Islands, Turks, etc.
PROBLEM, Chemel Islands, Turks, etc.
SELECT COMPORATE SERVICES
Mt. Pleasart, Downlos, tale and Mass
Telest COMPORATE SERVICES
LONGON Representative 2-5 Old Bond
St., London, Wil Tel, 07-693 4244.
Telest 283247 3CSLDN G.

The right start is vital. We seelst with contacts, presentation end business planning fee for results beels to the WILLIAMSON ASSOCIATES Pond Hec. Upton Grey, Essingstoke RG25 28H - Tel: 0256 81813 LIMITED COMPANIES CITY TELEX SERVICE FORMED BY EXPERTS
FOR £103 INCLUSIVE
READY MADE £111
COMPANY SEARCHES Computerised service donigned to clear your backlog end multi-address traffic --- FAST! No Telex? Just telephone your measege eed leave the rest to se

EXPRESS CO REGISTRATIONS LTD Epworth House 25-35 City Rad, London, EC1 01-628 5434/5, 7361, 5636 U.S. CORPORATE U.S. CORPORATE
ACQUISITIONS
In-depts nutionwide essentes
conducted for Public & Private
Companies
British American Consultants ind
1665 Peiro Beach Lakes Bivel
Suits 403, West Palm Beach
Florids 33401, USA
Phone: 0101 335 688 3662
Teleot: 465740

ADVERTISING GIFTS Pens · Lighters · Key Tags 100's of IDEAS for Ask for colour catalogues 01-346 8421 (24 hrs 8424) Take: 28732 EMCPEN G emc THE PEN PEOPLE

CONTRACT OUT YOUR CATERING to Milburgs. Delicious food with experi manager set. Milburgs Catering Con-tracts Ltd. 01-430 1696.

PRECISION ENGINEERING PRECISION ENGINEERING
CAPACITY
London, Wandsworth based engineering company extensively equipped with brend new machinery hee immediate capacity for all types of toolmaking, including jigs and Occure and moulds together with milling, tuming, oed febrication both prototype and batch production — R & D feelility — apacial purpose machinery a speciality.

Write, Telephone or Telest
Welcoline Ltd, 1-3 Hardwicks Way London SWIS 4AW Tet; 01-570 3006
Telest: \$35405 WELCOM 0

MANAGEMENT BUYOUT?

**DEVELOPMENT FINANCE?** 

TELEX OVERLOAD LTD

Tel: 01-739 7454 - Talex: 297371

INTERNATIONAL OFFSHORE COMPANY INCORPORATIONS FROM £110.00

FROM & I reverse Comprehensive Administration, mines Services, Powers of Attorney, mines Services, Powers of Attorney, mines Services, Powers of Attorney, mines Services, electrone, Multi-Forwarding, 181. AND RESOURCES Baltacurie House Seminarbil, 181 of Man (0624) 28229-21349-318437 Toles, 628332 ISLAND G

IN THE PINK romotional and advertising pens. Raimart Enterprises Ltd. 3 Woodbridge St. London ECIR OBL Tel: 01-253 6564 Telex 27319

INVEST TWO WEEKS IN Enter cardiuc rish provention and haulth recanditioning programme now. Elegum manation; peaceful Surrey countryside, highly qualified medical aupervision. 45 minu, from

ITALIAM BUSINESS PROBLEMS? British A.C.A with management and big eight audit experience based is Milan offers panies with Italian interests; reporting, investigations, problem solving, etc. Tel: Milan (02) 230933 or (02) p5059028. PRESTIGE ACCOM. Add., Telex, 24 hr. tele message service. Capital business services: Capital business services: Capital House, Market Place, London W3 6AL. Tal: 995 5325.

ASSETS of (asolvent Companies for sale, Receiver and Liquidators Classified 01-937 3056.

DIRECT MAIL LISTS & SERVICES—100s of reserv-bulk Lists immediately svali-able. Suppliers to leading UK companies. Frie catalogue, Marketzan Schrings House. Surling Rd., Chichester, Sussex. riouse, puring son, Chichester, Susseit.
Tel: (0203) 796711.
IBA's Lax efficient yields up to
16.6%. Contact John Piper on 0273728311.



FINANCIAL TIMES CONFERENCES



# Cable Television & Satellite Broadcasting

The Financial Times third international conference on Cable Television & Satellite Broadcasting will be held at the Royal Lancaster Hotel in London on 19 & 20 March 1985.

Issues to be discussed:

- \*What kind of programmes are viewers prepared to pay for, and what are the economics of making and distributing them?
- \*What roles should governments play in fostering the new media, and what kind of regulatory framework is needed?
- \* Is there likely to be a mass market for interactive home information services, and how fast will it develop?
- ★What lessons can Europe learn from recent US experience?

Some of the speakers taking part:-

Mr Giles Shaw, MP Minister of State at the **Home Office** 

The Rt Hon The Lord Thomson of Monifieth, KT, PC

Independent Broadcasting Authority Mr Brian Deutsch Westminster Cable Company Ltd

Mr Peter F Hazeli National Economic Research Associates Inc

Mr Patrick Cox Sky Channel

Mr Elco Brinkman Minister of Welfare, Health and Cultural Affairs, The Netherlands

Mr Stephane Hessel Membre de la Haute Autorité de la Communication Audiovisuelle

Mr Francis Baron W H Smith Cable

Mr Richard Hooper British Telecommunications plc

Mr José Frèches Rapporteur Général du Cable à la Ville de Paris

### **Cable Television** & Satellite **Broadcasting**

☐ Please send me further details of 'CABLE TELEVISION AND SATELLITE BROADCASTING'



 $^{
m J}$  A FINANCIAL TIMES INTERNATIONAL CONFERENCE

To: Financial Times, Conference Organisation Minster House, Arthur Street, London EC4R 9AX. Tel: 01-621 1355 Telex: 27347 FTCONF G

FT COMMERCIAL LAW REPORTS

# Assignment of computer action is valid

E. D. AND F. MAN LTD AND ANOTHER v EMR MANAGEMENT SERVICES LTD AND ANOTHER Court of Appeal (Sir John Donaidson, Master of the Rolls, Lord Justice Lloyd and Sir John Megaw): February 5 1985

ASSIGNMENT OF a right to litigate is valid where the assignee has a pre-existing and genuine commercial interest genuine commercial interest in the ontcome of the action; and the fact that assignor and/or assignee may be better off as a result of the assign-ment, does not of itself render the agreement to assign champertous and void.

The Court of Appeal so held when allowing an appeal from Mr Justice Tudor Evan's refusal to grant an application by EMR Management Services Ltd, first Management Services Ltd., first defendant in an action by ED and F Man Ltd. for leave to amend the pleadings in the action to give effect to Man's assignment to EMR of its cause of action against the second defendant, Cossor Electronics

\* \* \*
["Champerty" is a form of
"maintenance" by which a
person assists a party to litigation to maintain the action in consideration of receiving a sbare of the proceeds. Criminal and tortious liability for cham-perty were abolished by the Criminal Law Act 1967, but contracts involving champerty remain void as being contrary to public policy.]

SIR JOHN MEGAW sald that in 1976 Man, a London commodity broker sought advice from EMR, computer consultant, about the installation of a computer system for its husiness.

EMR recommended a number of computer manufacturers. including Cossor. As a result Man entered into a contract with Cossor for the supply, installa-tion and maintenance of a com-

The system never worked. It was quite inadequate for Man's needs and was scrapped.

In December 1979 Man

In December 1979 Man launched an action against EMR for damages for breach of contract and negligence, asserting that it had failed in its duty to advise as to suitability of the

system.

EMR denied liability and asserted that any damages suffered were caused by Cossor's breach of contract with Man. As a result Man brought in Cossor as second defendant. The damages particularised against damages particularised against
EMR were claimed equally and
Identically as against Cossor.
Cossor denied liability.
In September 1984 EMR issued

a third party notice against Cossor seeking indemnity or contribution in respect of the claim against It. Cossor delivered

faction of all the causes of Lord Wilberforce did not say The facts were that the action claimed against it or imply that the mere fact that assignee, EMR, had unequivocaccepting that it was liable for the assignee, being a person who ally precluded itself from

IN THE FOOD BUSINESS Larga assets, own premises with covered area af 4,000 sq. m. in Usbon. Helding for sale by mutual agreement.

Reply to Apartado 2523 1113 Lisbon Codex, Portugal

to plead the deed of assignment. The present appeal was against Mr Justice Tudor Evans's decision that the assignment was champertous, against public policy and vold. He refused leave to amend, hasing his conclusion on the view be took of Trendtex v Credit Suisse [1982] 2 AC 679.

The issue as to validity of the assignment should be decided on the basis of the law as defined in Trendter. The essence of that decision, so far as it related to maintenance and champerty, was expressed by Lord Wilberforce at page 694, beginning with tha words: "If no party had been involved in the agreement but Trendtex and Credit Sulsse.... It would have been difficult to offended against the law of main-tenance and champerty."

Credit Suisse, be said, had "a

genuine and substantial interest "
in the assigned litigation. The vice of the agreement related to the fact that it appeared on its Cossor seeking indemnity or contribution in respect of the face to contemplate the possiciam against it. Cossor delivered a defence.

When the date for trial of the action was approaching EMR pre-existing interest in the apparently recognised it would be found liable and paid action, so as to result in a profit being made by that stranger. and perhaps by Credit Susse. Lord Willberforce did not say

FOR SALE

LONDON BASED

Small chain of Menswear retail

outlets.

Turnover approximately Clm.

Replies from Principals only to: Box G10467, Financial Times 10 Cannon St. London EC4P 48Y

a cause of action was made, the ordinary contempletion of assignor and assignee was that it would be to the advantage of each. They would be better off in some way. "Better off " could usually be expressed as financial benefit, even though it might be incapable of assessment. If that were to be treated as "contemplation of making a profit" and if the consequences ware that the agreement to assign would be champertous and illegal, few assignments would stand. That could not be the

stand. That could not be the

An agreement to assign was not champertous merely because tha assignee or assignor, or both bad as part of his ganuine com-mercial interest, the contempla-tion that be would be better off as a result.

If "contemplation of making a profit" were confined to such situations as existed in Trendlex where the assignee's intention was to sell the cause of action to a stranger at a higher price than he had paid for the assignment, there was obviously good reason why such a transaction might be regarded as champer-tous. That was of no relevance

to the present case.

Again, it there were a prospect of some excessive profit, that might properly be a factor in deciding whether the commercial interest was genuine. That did not apply here.

AN LTD AND ANOTHER v EMR MANAGEMENT SERVICES LTD AND ANOTHER m Donaldson, Master of the Rolls, Lord Justice Lioyd and Str John Megaw! February 5 1985 part of the damages belonged in a long and costly trial of the action. In its view responsibility for the damages belonged in part to Cossor.

Man was prepared to accapt the £302,002 in respect of the whole actiom against Cossor.

Man was prepared to accapt the £302,002 in respect of the whole actiom against Cossor.

At page 703 Lord Roskill said interest in the action, and contrary to public policy—and champet to forgo its costs against Cossor.

Cossor was not prepared to forgo its costs.

On November 16 Man and EMMR agreed that Man sbould assign its cause of ection against Cossor to EMR.

On November 18 Man gave notice of acceptance of the E302,002 in a court, and on November 20 tha deed of assignment was executed. Cossor claimed the assignment, or the agreement to assign, was champetrous and therefore void.

On November 18 Man gave notice of acceptance of the E302,002 in the contraction, or the agreement will assign, was champetrous and therefore void.

On November 2 EMR would be strucked of assignment was greened to the same commercial interest in the action, in practice it would be serveen Man and Cossor were in the action, in practice it would be serveen EMR and whole assignment was a contract, in the action, in practice it would be serveen the assignment of the contraction proceedings.

At the opening of the bearing of the action counsel for Man and EMR applied for leave to same all the action on the assignment was alternative to, not cumulative with, the contribution proceedings.

At the opening of the bearing of the action counsel for Man and EMR applied for leave to same and EMR applied

the transaction as a whole; (v) if an assignee bad a genuine commercial interest in enforcing the cause of action; it was not fatal that the assignee might make a profit ont of the assignment; (vi) it was an open question whether, if the assignee did make such a profit, he was answerable to the assignor for the difference.

Looking at the totality of the transaction, EMR had a clear pre-existing interest in the fruits of the action. First, assuming

of the action. First, assuming that there had been no payment into court and no assignment any sum recovered by Man from Cossor would have gone in re-duction of the sum recoverable from EMR. It followed that EMR bad a pre-existing interest in the success of Man's cause of action against Cossor. It could not be doubted that such an interest was a "genuine commercial interest" within the principles established by Trendtex.
Secondly, EMR bad a genuine

commercial interest in the avoid-ance of a pre-existing potential liability for Cossor's costs SIR JOHN DONALDSON agreed with both judgments.

For EMR: Simon Goldblatt QC and John Slater (Barlow Lyde and Gilbert). For Cossor: Jonathan Sump-tion (Lovell White and King). By Rachel Davies

1230

F44, 972-

~ : : - - ;

144 C: 4

0.12

MIRALIA

225 5 11

A 20-4

ELGIUM

CURLDA

forents

Soure al

XKARDO

Uzerrary

MANCE

EST GERM

Vertical Contraction

MAY SERVICE AND ASSESSMENT ASSESSMENT AND ASSESSMENT AND ASSESSMENT ASSESSMENT

ORWAY Ost

SOUTH AP

Catral

USTRIA

7480

# Businesses for Sale

О

16

FOR SALE BY THE RECEIVER

#### TROUSER MANUFACTURING COMPANY

WEST YORKSHIRE

The receiver offers for sale as a going concern a West Yorkshire-besed compeny specialising in the manufacture of boys', youths' and mens' trousers.

The company has an experienced workforce and a full order book. Trading from freehold premises the company for sale has a turnover of approximetely £4 million. For fursher details contact:

The Receiver, Mr. Peter Stewart Flesher on reference JO'H or AHW at THORNTON BAKER, Chartered Accountants, Eldon Lodge, Eldon Place, Bradford, BD1 3AP. Telex: 51611 Tel: (0274) 734341.

**BUSINESS FOR SALE** 

The receiver invites offers for the assets and goodwill

of C. LINDLEY LIMITED, manufacturers of Industrial

Fasteners and Cold Forge Components, based in West

Yorkshire. The compeny occupies e freehold factory site

of approximately 45,000 sq. ft. Turnover for the year

FOR SALE

FOOD DISTRIBUTION COMPANY

The company, based in Dublin, is profitable, has a turnover of IrL6m with neconal distribution throughout the Republic of

Principels only write to:

Byrns Meagher & Co. Chartered Accountants, 68 Pembroke Rd, Ilubiin 4

PRECISION ENGINEERING BUSINESS

FOR SALE

Sased upon the South Cost and catabilities for seven years. The company is enjoying tapid expansion and autobilities for seven years, the present owner wishes to develop atter interacts. The machinery bac been certifully updeted and leatures CNC equipment for high standard production. Price to include machinery, lease sollon and goodwill—in eyepaa of £650,000.

Principals only need apply to Box G10451
Financial Times, 10 Connon Street, London EC4P 4BY

Telex: 51611

Thornton Baker

ending 31st December 1984 was £1.8 million.

The Receiver and Manager,

Mr. Peter Stewart Flesher,

Eldon Lodge, Eldon Place.

THORNTON BAKER,

Chartered Accountants.

Bradford, BD1 3AP.

Tel: (0274) 734341

For further information apply to:

Thornton Baker

#### U.K. ←----> U.S.A.

COMPANY ACQUISITIONS AND DISPOSALS LICENSING/DISTRIBUTION AGREEMENTS Our personal service for mature acquisitors besed both sides of the Atlantic

KENYON BUSINESS SERVICES Sumlock House, 314 Chester Road Hartford, Cheshire Tel: 0606-888810

25 Walker St, New York City N.Y. 10013 Tel: 212-226-7752

#### COMPUTER SYSTEM HOUSE FOR SALE

Based SE England. Turnover £3m. Net Assets £300k. Good

Replies to Box G10420, Financial Times, 10 Connon Street. London, ECAP 4BY, from Principals only should include some information on themselves.

customer base. Excellent software and aupport facilities. Good order book. Profitable. Company no longer fits Group strategy. Price £1 million.

**MEDIUM - HEAVY SUB - CONTRACT ENGINEERING** COMPANY

With very healthy order book and great potential for returning very good profits. Present turnover £1m, gross profits £400K, written down fixed assets £1m, with £450K capital allowances/tax losses. Available for sale or would merge with company looking for assets with company looking for assets with capital allowences,

NORTH - WEST ENGLAND

Principals only apply to: The Chairman, Box G10450 Financial Times, 10 Connon Street, London EC4P 4BY

#### **WORKING PARTNER**

Automobile Restoration Compeny, old established, with excellent reputation and resources. Other commitments enable owner to part with substantial equity at low net asset valuetion to enthusiestic and experienced manager who can further the development of the business

Write Box G10464, Financial Times 10 Cannon Street, London EC4P 48Y

#### **BIBA INSURANCE BROKERS**

Earnings from Commercial Account in excess of £200,000 Close to City Replies in confidence from principals only to Bax G10460 Financial Times, 10 Cannon Street, London EC4P 4BY

COSMETICS/TOILETRIES WHOLESALE BUSINESS

7/o £100,000 ps. Neer the City £15,000 + sav Would consider merger/

wishing to reduce its meter trade involvement, has for sale enumber of WELL ESTABLISHED GARAGES FULLY FRANCHISED in Preshold Premises Available jointly or individually. Tatal turnovar in excess at £30m. Enquiries only from Principals giving avidance of financial ability la undartake such a purchase.

**PUBLIC COMPANY** 

MASTER FRANCHISE FOR SALE U.S.
DEFERT. Largest in its Indivatry, Strong
existing management, More than 80
localizars in MIK. 1555,500 to £1
Compact Mo et large the investment.
Compact Mo et large the free than 11
Tines. 18 Geanon Street, Filondon Write Sox G10468, Financial Times 10 Cennon St Landon EC4P 4BY

# with growth potencial.

COMPANY sesks to purchase

in the London erea

Price range £100,000-£500,000 Write Box G10453, Financial Times 10 Cannon St., London EC4P 4BY

#### SMALL ENGINEERING CO. WANTED

by Company requiring febrication facility for established product.

#### Clubs

EVE has outlined the others because of a policy of fair play and value for money. Supper from 10-3.50 am. Disco and too mustchans, planes out hostesses, amitting foorshows. 109. Regent St. 01-734 PSS7.

Art Galleries AGNEW GALLERY. 43, Old Bond St., WT. 01-629 6176. 112th ANNUAL WATER-COLOUR EXHIBITION. Until 22 Feb.

Mon.-fri. 9.30-5.30. There will 6.30.

PUBLISHING COMPANY

Wall established private campany era Interested in acquiring email to medium publishing company pre-levably, but, not necessarily, angaged in scademic journals and publications. Replies traced in the etrictest confidence. Write Box G10466, Financial Times 10 Cannon St. London ECSP 48Y

FOOD

MANUFACTURING

A private label food manufacturer, part of a substantial group with impeccable ordentials, is intentiupon expansian by equivilities interested parties should write in complete confidence to:

Box 61040, Fluencial Times 10 Cannon St. London EC4P 48Y

Company Notices

CIRCULAR OF THE CENTRAL BANK OF INGERIA DATED 18TH APRIL 1984 APPLICABLE FOREIGN EXCHANGE RATES FOR ANTICIPATED NOTE 18SUE ON OR ABOUT 21ST FEBRUARY 1985

N.S. THE ANNOUNCEMENT ONLY RELATED TO COMPRIMATIONS OF ELIGIBLE DEST RESULTING FROM NOTHICATIONS ISSUED ON BEHALF OF THE CENTRAL BANK OF NIGERIA ON THE BTH LANUARY 1885.

WANTED

#### Wanted Businesses

#### SAFETY

This private limited Company, the market leader in the This private limited Company, the market leader in the distribution of Safety Equipment, Protective Clothing and Industrial Rubber and Plastic products, wishes to expand by forming an association with, or by acquisition of, manufacturing/distribution companies with similar interests, based in the Midlands, South end South-West areas of the UK. Would interested principals please contact:

Tom Martin

Chairman and Jnint Managing Director

#### ARCO P.O. Box 21, Waverley Street, Hull HU1 2SJ

**PROFITABLE COMPANIES** WANTED

We are madium sized angineering and industrial services publicly qualed group based in the Midlands, but with namenal interests, leaking to expend its manufacturing and service operations. You are, hapselfly, a privately controlled company with a good profits record, which is now a minimum of 175,000 pre-lex per ensum, wanting to deplore the resistation of your ceptal investment whits: retaining autonomate manegement responsibility for ibs immediate future.

If you believe we have something to offer sech other then write in confidence through:

Sox No. FT894, it James's Corporate Communications Ltd 5t James's House, 4/7 Rod Lion Court, London ECAA 3EB

### **Above Average Price**

Public company requires to purchese successful growing businesses with net profits in excess of £150,000 per annum An above everage price will be paid for good quality companies Write in first instance to Chairman, Box G10414, Financial Times 10 Connon Street, London EC4P 4BY to arrange on oppointment

#### WANTED ELECTRICAL COMPANY

PLC seeks to acquire an electrical manufecturing company that can enhance its existing activities in commercial lighting and trunking distribution systems. The compeny should be currently profitable

Write Bos G10455, Financial Times 10 Cennon Street, London EC4P 48Y

#### PRIVATE FINANCIAL SERVICES

INSURANCE BROKER

NW London, South Herts ares

Purchase, merger or control acquisition considered Write Box G10458, Financial Times 10 Cannon St., London EC4P 48Y

RESOURCES FOR TECHNOLOGY We are the Technology Transfer Group within a substantial international Carporation and wish to establish contact with privately controlled hitself companies invalved in leading-edge applications at materials technology, who believe that the financial, technical, sales or other recorrects evelleble through collaboration with a larger organisation could be appropriate to their away needs.

Write Box G10429, Financial Times

#### **Businesses Wanted**

Successful private company based in London wishing to expand and diversify is interested in acquiring established businesses. Funds available up to

Please send preliminary details to Box G10458 Financial Times, 10 Cannon Street, London EC4P 4BY

#### WANTED TAX LOSS COMPANY

Should be:
Fromerty Company concerned mainly with Industrial or Commercial with Industrial
property.
Baard in North West Anglend.
Based setablished losses of £30,00£150,000
Details prese to Box G.10454, Financial Fines, 7 OCannon Street, London
£C49 48V.

MAJOR FIRM

Write Box G10290, Financial Times 10 Cannon St. London EC4P 4BY

f am the Chief Executive of a PUBLIC HOLOING GROUP involved in chen end engineering
WE WISH TO PURCHARE
society Chemical Campanies

and Engineering Companies

with products of their con Continuity all management preferred
Consideration in cach ar aheres
I will deal with all replice perenally
Confidentiality gustenteed
Write Box G10482, Financial Times
10 Cannon St., London EC4P 4BY

WE HAVE CLIENTS INTERESTED IN PURCHASING A CASINO Substantial Funds Available.

**PROVINCIAL** Mr. I. Benjamin BENJAMIN & BENJAMIN

Barratt House, 341 Oxford 5 tree London W1R 1HB

The spot rates of exchange quoted by The Chaise Manufactura Benk, N.A. for the purchase of U.S. Dullates with each of the following currences in the London Foreign Exchange Nation are about 11:00 am, (London trans) on 11:14 February 1985 and which will be applied by calculating the U.S. Dullar equivalent of confirmed classes owing in other toreign currences for the purposes of any knotes to be seumed on or about 21 st Fabruary 1985 are as follows:

This announcement is subject to the time and conditions of the circular. By: The Chase Mechanic Bank, H.A. as Reconsidence Bank.

17.75 18.75 18.80

debut with

NEW YORK STOCK EXCHANGE 30-31 AMERICAN STOCK EXCHANGE 31–32 U.S. OVER-THE-COUNTER 32, 40 WORLD STOCK MARKETS 32 LONDON STOCK EXCHANGE 32-35 UNIT TRUSTS 36-37 COMMODITIES 38 CURRENCIES 39 INTERNATIONAL CAPITAL MARKETS 40

# SECTION III - INTERNATIONAL MARKETS

# **FINANCIAL TIMES**

Tuesday February 12 1985

**WALL STREET** 

# IBM chips away at confidence

THE SIX-WEEK rally on Wall Street suffered its first significant setback yesterday when both blue chips and secondline issues ran into a bout of selling,

writes Terry Byland in New York.
The market opened quietly but was routed at mid-morning when IBM tumbled more than \$4 in heavy trading after two brokerage analysts cut their ratings on the stocks. Bonds at first extended Friday's rally but later turned down sharply ahead of today's commemoration of Lincoln's birthday, for which the New York Federal Reserve, banks and the Treasury bond markets will close.

By 3pm the Dow Jones industrial av-

erage was down 15.24 at 1274.73.

Wall Street is feeling less optimistic about the prospects for interest rates. The Federal Reserve Open Market Committee meeting today and tomorrow is not expected to vote for any further easing in credit policies. Money supply is believed to be rising once again, and last week's budget proposals from the Reagan Administration have reawakened the market's worries over the federal

The renewed slide in the bond market further undermined equities. Most of

Dy Ramail

art toellene

the recent favourites turned smartly down. Airline stocks saw some selling, although the greater part of the fall inthe Dow transportation average came from weakness in rail issues.

Among industrials, however, the slump in IBM set the tone. At \$133% the stock was \$4% down by mid-session, with turnover putting the computer group well at the head of the active stocks list. Merrill Lynch and E.F. Hutton cut their estimates of IBM's firstquarter profits, pointing to the effects of a strong dollar. The board of IBM made

Other mainframe computer makers to feel the backlash of IBM's setback were Honeywell, \$1% off at \$63 and Burroughs, \$1% lower at \$61%.

Also under significant selling pres-sure was General Motors, with a \$1% fall at \$78%, bearing witness to the market's unhappiness with the slowdown in the final quarter of last year. GM's decision to abandon the X car, as well as a federal order to recall nearly 1.8m cars because of brake problems, helped to unsettle the stock price. Chrysler, \$% off at \$32%, and Ford \$% down at \$45% were al-

Rail issues turned nervous on fears of a fight in Congress over the decision to allow Norfolk Southern to huy Conrail. Norfolk dipped \$1% to \$66%, and there were falls of \$1% to \$56 in Barlington Northern and \$% to \$25% in CSX.

The banking sector slid lower as investors shied away from some of the leading names. Bank of Boston tumbled \$1% to \$45% as it was revealed that problem currency transactions had been uncovered by federal investigators. Worries over the losses on mortgage-backed

3.2575

260.65

8.94125 2.775 3.6825

65.25

1.33535

INTEREST RATES

71-26 72-18 71-23 72-07

91,72 91,78 91,71 91,71

90.75 90.81 90.75 90.57

103-13 103-31 103-05 104-16

550,00o

\$27.45

£1,272.00 £1,247.50

£2.387.50 £2.542.00

549.50p

2,001.5 2,204.5

286.75

10.94

3.065

4.0675

1.4665

3.615

289.5 11.04

3.08

4.09

1.483

2,221.5

13%

511/ve

81/2

. 8.8

8.22

Price Yield

9917/2- 10.01

1011 11.28

991% 11.37

Yleic

11.15

11.75

95% 11.55

Price

98¼ 77¼

99%

securities at BankAmerica took a further \$% off the stock at \$18%. Disappointment with the final quarter

continued to depress retail issues with J. C. Penney, \$% off at \$47%, Safeway \$% down at \$30% and American Stores, \$1/2 off at \$49. But K mart recouped \$% of its recent fall to \$3714.

There was no reason to test Federal Reserve credit policies yesterday. With the federal funds rate at 8% per cent short-term and money market rates eased by three or four basis points.

The bond market started well but the absence of retail interest left the traders to worry about the heavy weight of Trea-sury paper taken onto their portfolios at last week's auctions.

Prices sagged at the longer end of the scale to show falls ranging to about half

#### LONDON

# Renewed concern on rates

RENEWED concern about sterling's strength against the dollar took its toll in London gilts markets yesterday. The pound and other leading currencies declined to new lows and wholesale credit

That led to pressure on bank base rates, which stand at 14 per cent as the three-month interbank rate closed at

More favourable U.S. bond market trends on Friday did not soothe investors' fears, which were reflected in a fair volume of selling.

The market became particularly edgy late in the afternoon when sterling fell below \$1.10. Quotations steadied during after-hours trading, but both short and longer maturities closed with declines extending to 114 points, and at the day's

Equities were initially vulnerable but rising crude oil prices attracted buyers for leading stocks in that sector. · The recovery continued after the offi-

cial close to leave the FT Ordinary share index 2.6 up at 991.1, after starting the day 6.5 lower.

Chief price changes, Page 32; Details, Page 33, Share information service, Pages 34-35.

#### AUSTRALIA-

DECLINES were recorded across the board in Sydney as concern over Prime Minister Boh Hawke's handling of the nuclear armaments issues contributed to the market's nervousness

The All Ordinaries index finished at 763.3, down 9.5 in moderate trading. Metal and gold stocks were dragged down by a weaker bullion price. Peko-Wallsend shed 10 cents at A\$4.05 and Poseidon suffered a 20-cent loss to close

at: A\$2.60. CSR dropped 32 cents to A\$2.68, but after adjusting for the three-for-one rights issue, the shares were actually down about 5 cents.

#### **SINGAPORE**

THE absence of any fresh market factors resulted in widespread falls in Singapore. Although the number of declines far exceeded rises, price changes were mainly small and the Straits Times industrial index dropped 8.57 to 808.94.

UOB, most active, finished 4 cents lower at S\$4.46. Banks held up better than most sectors, with Tat Lee Bank shedding 2 cents to S\$2.78.

Properties and plantations both eased. City Developments dropped 3 cents to S\$1.27, and in plantations Sime Darby fell 4 cents to close at S\$1.90. In industrials, Haw Par declined 7 cents to S\$2.26 and Inchcape 5 cents to S\$2.61.

INSTITUTIONAL interest from abroad and selective local buying helped to lift the Hang Seng index 10.06 to 1,357.94 in moderate trading.

Reports that Wheelock Mardan might be restructuring or the target of a takeover bid hoisted the company's 'A' shares 10 cents to HK\$4.65.

Key stocks to record advances included Cheung Kong, up 20 cents at HK\$13.07; Hang Seng Bank, which jumped 75 cents to HK\$47; and Hongkong Telephone, which advanced HK\$1 to HK\$60.5.

#### **SOUTH AFRICA**

GOLD stocks fell sharply in Johannesburg as the bullion price bovered around tha \$300-an-ounce support level. Vaal Reefs fell R16.50 to R154.50 and Randfontein Estates R8.50 to R165.

Other mining stocks were also marked down. Impala Platinum gave up 50 cents to close at R23 and De Beers 10 cents to R8.55.

#### CANADA

MODERATE losses were recorded in most sectors in Toronto, but oils, properties and transports advanced. Dome Petroleum, which last week put together a debt restructuring package,

traded 15 cents higher at C\$3.30. Canadian Pacific, which is proposing a three-for-one share split after im-

proved profits last year, went ahead by C\$1/4 to C\$58%. Industrials showed gains in Montreal while banks and utilities retreated.

# **Pervasive** power of the dollar

THE PERVASIVE power of the U.S. dol-lar was again demonstrated in Europe yesterday as Dutch stocks hit another all-time high on the strength of North American buying, while other centres opened the week on either a subdued note or responded chiefly to technical

The breaching in Amsterdam of the 200-point barrier on the ANP-CBS General index, with a rise of 0.8 to 200.4, was partly engineered by the strong advance of Royal Dutch - a major constituent of the index – as the international oil group soared Fl 4.10 to an all-time high of Fl 199.4. Persistent U.S. support had pushed the share across the FI 200 threshold earlier.

Optimistic forecasts for Dutch trade and industry gave the green light to do-mestic investors who took a significant, but not a dominant, stance in the day's

Other strong performers were Océ van der Grinten, Fl 2.50 ahead at an-other new high of Fl 306.5 and NMB, which rose Fl 1.50 to Fl 184.50.

Bond prices tumbled as investors retreated pending a rise in interest rates. Falls amounted to 30 basis points. Despite the rise of the dollar to a 13-

year high against the D-Mark, Frankfurt trading was light, with only a slight buoyancy in prices near the close. The Commerzbank index turned 1.2 lower at

The late rebound was orchestrated by banks and chemicals after early caution engendered by AEG which stressed that losses incurred by the group in Saudi Arabia would not affect its forecast for the year. It finished DM 4.60 off at DM

The unease about AEG spilled over to Siemens, which ended DM 3 down at

High technology issue IWKA, which was subject to speculation last week that General Motors or VW might be behind the recent high turnover of shares in the robot and armaments manufacturer, shed DM 6 to DM 290.50, IWKA is trading at about twice the price of a year

Deutsche Bank's DM 1.60 rise to DM 404.30 led a fragile banking pitch, while BASF in chemicals firmed 40 pfg to DM 184.80 - just below its 12-month high.

The DM 8 gain by Porsche to DM

1,111 took the sports car maker within a whisker of its all-time high. BMW managed to curtail its losses to DM 3 at DM

Bonds shed up to 60 basis points, and the Bundesbank extended its purchases of paper to DM 50.3m from Friday's DM

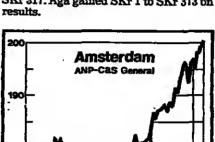
A broad rally in Madrid took Telefonica, the telephone monopoly, 6.25 points higher to 125.25 per cent of nominal val-ue. Technical trading in Milan took many issues higher but they closed below the day's best.

Profit-taking trimmed some recent gains in mixed Zurich trading with Oarlikon-Bührle, actively traded last week, retreating SwFr 40 to SwFr 1,470. Unease over the future of the govern-

ing coalition pushed Brussels lower in light trading, as Petrofina eased BFr 80 to BFr 7,060. A technical downturn eroded Paris

sentiment. Profit forecasts from L'Oreal were ignored and the cosmetics group finished FFr 25 weaker at FFr 2,265. A mid-morning surge was the main feature of a mixed to lower Stockholm

that took Electrohix, the most active stock, SKr 8 higher to another peak of SKr 317. Aga gained SKr 1 to SKr 373 on



# High-tech appeal persists

HIGH-TECHNOLOGY issues, particularly those related to biotechnology, have dominated buying in Tokyo since last autumn, writes Shigeo Nishiwaki of Jiji Press.

Speculative huying in biotechnology-related stocks seems likely to persist in the current money glut, despite restrictive measures taken by the exchange authorities.

\$100m issue, Page 40

Nestlé in Eurobond

Among the 50 active stocks in January, Mitsui Sugar posted the largest gain of 7 per cent, benefiting from the company's development of a soil conditioner

through the use of biotechnology. Six other biotechnology-related issues were among the 10 largest gainers. The remaining three were related to semi-

The consensus is that high-technology stocks, led by those related to electronics, new materials and biotechnology, will be the market pacesetters for the rest of the decade and into the 1990s.

The biotechnology-related stock boom was led last year by Mochida Pharma-ceutical. Reports of its involvement in the manufacture of an anti-cancer agent had lifted the stock to Y18,600 by last Oc-

tober, from a low of Y2,500 last March.
Investor interest in biotechnologyrelated issues then spread to Kuraray, a leading synthetic-fibre maker, which was boosted by its participation in the development of a new anti-cancer drug.

The stock had surged to Y1,240 by last February, from around Y230 a year ear-Yamanouchi Pharmaceutical then attracted buyers as it was developing an anti-cancer agent of its own. It also ex-

pects to play a leading role in the manufacture of Kuraray's drug. The stock shot up to Y4,450 hy February, from Y1,100 last July.

Encouraged by the biotechnology stock boom, some speculators flocked to

buy shares in companies planning to move into the field. Many corporate managers were em-

barrassed by the sharply rising prices of their companies' stocks on speculative buying based on inaccurate information. Mr Hisakazu Iizuka, Yamanouchi's

managing director, said that he would have been happier if the stock-price rise had reflected positive appraisals of the company's activities, including the export of technology for an antibiotic to an American company, and the manufacture of high-quality drugs. He added, bowever, that the manufacture of some anti-cancer drugs was several years

Mr Taichi Ueno, president of Kuraray, was displeased about the sharp rise in the company's stock price. He said that stock prices should reflect managerial efforts to improve performance, thereby helping to boost stock prices in shareholders' interests.

Mr Nobuo Mochida, president of Mochida Pharmaceutical, warned that the

unrealistic stock price behaviour would drive investors out of the market.

Foreign investors hought hiotechnology-related issues aggressively when the boom started but are now indifferent to ☐ Tokyo stock markets were closed yes-

terday for a holiday.



Graceful hospitality awaits travellers flying the luxurious JAL Executive Class.

Luxurious comfort. Uniquely graceful Japanese hospitality. A separate cabin behind First Class. More room to stretch out and relax. These are the sumptuous pleasures of flying Japan Air Lines

It's this tradition of service that has helped us become Number One - ichi-ban - among international scheduled airlines (IATA statistics 1983).

After check-in at the special airport counter, a Welcome' glass of champagne is waiting as passengers come on board. In-flight service offers separate hors d'œuvres, followed by a choice of superb meals served on chinaware. Linen napkins add to the style.

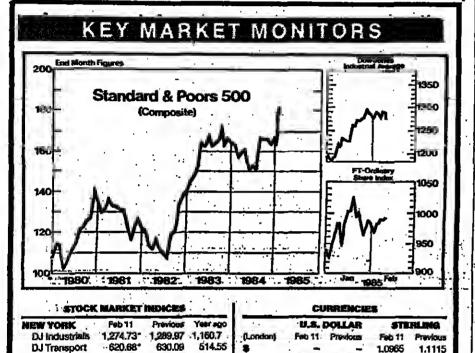
All these pleasures - and more - can be enjoyed on our daily one-stop flights to Tokyo and beyond.

It is a very great honour for us to be Number One. An honour for which we thank everyone who has chosen JAL.



JAPAN AIR LINES The longer the flight, the more the details matter.

FOR DETAILS, RING YOUR NEAREST JAL OFFICE:- LONDON 01-629 9244. BIRMINCHAM 021-643 1368. MANCHESTER 061-832 2807. CLASCOW 041-221 6227. PRESTEL NO. 3444444



DO LISUSDOIS	·· 020.00	030.00	014.00	
DJ Utilities	149.26*	150.8	127.17	DM 3.275
5&P Composite			156.3	Yen -261.8
9				FF 8.99
LONDON			40.	SwFr 2.794
FT Ord	991.1	988.5	. 803.0	Guilder 3.71
FT-SE 100	1,297.5	1,295.3	1,018.0	Lira 2,010.5
FT-A All-share	622.89	622.26	482.65	BFr 65.6
FT-A 500	680.71	679,44	515.74	CS. 1.33875
FT Gold mines	470.9	484.5	589.9	1.00075
FT-A Long glit	10.84	10.73	10.73	INTE
TOKYO				-
Nikkel-Dow	closed	12.009.0	8,959.9	Euro-currencies
Tokyo SE	closed	924.45	775.4	(3-month offered rat
TORYO DE	CIÓDOC	ULTAG		SwFr
AUSTRALIA				DM
All Ord.	765.3	772.6	743.4	FFr
Metals & Mins.	. 431.6	439.5	518.5	FT London Interbe
AUSTRIA				(offered rate)
Credit Aktien	62.36	82.3	55.35	3-month U.S
Credit Aktion	02.30	02.5		6-month U.S
BELGIUM				U.S. Fed Funds
Belgian SE	2,155.76	2,157.A	_	U.S.3-month CDs
				U.S.3-month T-bii
CANADA .			•	0.0.0-0-0.010111-011
Toronto			0.400.0	U.
Metals & Minis	2,168.0	2,182.5 2,512.9	2,186.0	
Composite	2,598.4*	2,0129	2,401.3	Treesury
Montreal	400 701	131.67	117.48	
Portfolio	130.73*	131.07	117.40	99% 1987 9
DEMMARK				11% 1992 10
Copenhagen SE	174.26	173.11	211.12	11% 1995 9
				11% 2015 9
FRANCE				Corporate
CAC Gen	199.2	198.9	163.6	AT&T P
_ Ind. Tendance	108.4	108.8	88.3	10% June 1990
WEST GERMANY				3% July 1990
FAZ-Aktien	399.2	400.84	351.54	8% May 2000
Commerzbenk	1,181.4	1.162.6	1,037.2	Xerox
CONTINUEZORIA	1110 110			10% March 1993 S
HONG KONG.				Diamond Shamrock
Hang Seng	1,357.94	1,347.88	1,050.77	10% May 1993
ITALY				Federated Dept Stor
Banca Comm.	273.69	271.52	218.57	10% May 2013 . 8
				Abbot Lab
METHERLANDS				11.90 Feb 2013 9
ANP-CBS Gen	200.4	199.6	158.7	
ANP-CBS Ind	158.5	158.5	131.2	Alcos
NORWAY				12% Dec 2012 9
Osio SE	345,43	345.6	238.83	FINANC
080 SE	2.0,10			
SINGAPORE			4.000.0	CHICAGO
Straits Times	808.94	817.51	1,050.2	U.S. Treasury Bon
				8% 32nds of 100%
SOUTH AFRICA	848.4	888.6	901.8	March 71
Golds	961,8	861.2		U.S. Treasury Sitts
industrials	<del>001,0</del>	551-2		\$1m points of 100%
SPAIN				March 91
· Madrid SE	113.47	1120 .	79.55	Certificates of De
	<del></del>			\$1m points of 100%
\$WEDEN	4 400 00	1,484.5	1 580 89	March 90
J&P	T,486.98	1,404.0	1,000.02	LONDON
SWITZERLAND				Three-month Euro
SWITZEHLAND	417.2	418.3	365.9	\$1m points of 100%
Swiss Bank Ind			:	March 90
WORLD	Feb 8	Prev	Yearago	20-year Notional (
Capital Int'l	197.1	196.7	179.4	250,000 S2nds of 100
Capital Nici				Merch 103-
				AMPROPER - 1U.S.

1-1-14 COLING SHE	10,04	10.20		INTEREST RAT	ES
TOKYO				Euro-currencies	Feb 11
Nikkel-Dow		.12,009.0		(3-month offered rate)	
Tokyo SE	closed	924.45	775.4		13154
AUSTRALIA					5'Y1s
All Ord.	765.3	772,6	743.4	DN	6%
Metals & Mins.	. 431.6	439.5	518.5	FFr F7 London Interbenk fixing	111/4
AUSTRIA				(offered rate)	
Credit Aktion	62.36	82.3	55.35	3-month U.S.\$	9%
CIGUIL AKUOTI	02.00			6-month U.S.\$	97/14
BELGIUM				U.S. Fed Funds	84"
Belgian SE	2,155.76	2,157 <i>A</i>	-	U.S.3-month CDs	8.65
CANADA .				U.S.3-month T-bilis	8.18*
Toronto					•
Metals & Minis	2,168.0*	2,182.5	2,186.0	U.S BONDS	5· · _
Composite .	2,598.4	2,512.9	2,401.5	Treasury Feb 11*	
Montreal				Price Yiel	d Pi
Portfolio	130.73*	131.67	117.48	99% 1987 991% 10.01	991
DEMMARK				11% 1992 101% 11.2	
	174.26	178.11	211.12	11% 1995 99%2 11.4	
Copenhagen SE	17420	170.11		11% 2015 99 1/2 11.8	1 994
FRANCE		100		Corporate Feb 11*	. 1
CAC Gen	199.2	198.9	163.6	AT&T Price Yield	d Pric
Ind. Tendance	108.4	108.8	88.3	10% June 1990 96% 11.1	5 98
WEST GERMANY				3% July 1990 77% 8.3	
FAZ-Aktien	399.2	400.84	351.54	8% May 2000 78% 11.7	78
Commerzbank	1,181.4	1,162.6	1,037.2	Xerox	
				10% March 1993 96% 11.25	96
HONG KONG.	4.057.04	1 247 54	1,050.77	Diamond Shamrock	
Hang Seng	1,357.94	1,347,88	1,000.77	10% May 1993 95% 11.55	95
ITALY				Federated Dept Stores	
Banca Comm.	273.69	271.52	218.57	10% May 2013 89% 11.90	. 899
METHERLANDS	-			Abbot Lab	
ANP-CBS Gen	200.4	199.6	158.7	11.90 Feb 2013 99% 11.90	. 991
ANP-CBS Ind	158.5	158.5	131.2	Alcoa	
			<del></del>	12¼ Dec 2012 99½ 12.30	993
NORWAY	045 45	345.6	238.83		
Osio SE	245,43	340.0	230.03	FINANCIAL FUT	_
SINGAPORE				- CHICAGO Latest High	ı Lo
Straits Times	808.94	817.51	1,060.2	U.S. Treasury Bonds (CBT)	
				8% 32nds of 100%	
SOUTH AFRICA	848.4	888.6	901.8	March 71-26 72-18	71–2
Golds	961.8	861.2		U.S. Treasury Sitts (IMM)	
Industrials	001,0			S1m points of 100%	
SPAIN				March 91.72 91.78	
Madrid SE	113.47	1120	. 79.55	Cartificates of Deposit (ININ	13
				\$1m points of 100% March 90.99 91.12	90.9
SWEDEN	1,486.98	1.484.5	1,560.82		. 30,2
J&P	1,700.00	.,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	LONDON	
SWITZERLAND			005 0	Three-month Eurodollar	
Swiss Bank Ind	417.2	418,3	365.9	\$1m points of 100%	~~~
	Feb 8	Prev	Year ago	March 90.75 90.81	90.7
WORLD			179.4	20-year Notional Gift	
Capital Int'i	197.1	196.7	17.00	£50,000 32nds of 100%	
	) (per ou	nce)		March 103-13 103-31	103-0
			Prev		
		eb 11 300.00	\$299.25	COMMODITIE	\$
London	•		******		

\$300.50

5300.68

\$300.65

\$301.20

(London)

Sliver (spot fixing)

Copper (cash)

Coffee (March)

5300,00

\$299.57

00.0022

\$305.30

Paris (fixing)

Luxembourg

New York (Feb.)

Zürich

 AAR SAFER REPORT OF THE PROPERTY OF THE PROPER

Amstrada Arasana Andras Andras

-13g -13g +1 -1g

NEW YORK STOCK EXCHANGE COMPOSITE PRICES Sack Learny Lear Halmid Pharmas Halmid H 5.我们给我们的感染我们也就把自己的的。可以有我们的是心情的感染,我们也会们的,我们我们就是这样。我们们的话,是我们就是不是什么的。 Charles Control Contro Balling Ballin PH PAC GP Fatch Farm Fatch Fat 276 45 13
1.20 43 10
1.28 51 10
1.28 23 8
1.40 5.0 8
2.50 4.2 10
3.18 8.5 9
pro 15.25 14
2.50 8.5 11
7.84 5.1 12
2.56 2.0 13
3 11 8
pr 1.20 12
pr 2.77 11,
pr 8.40 13
2.20 9.3 8
1.20 8.8 26
2.50 8.9 26
2.50 8.9 26
2.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 10
1.50 9.5 27/16 25 129 584 448 2125 10 2279 10 241 28 38 734 28 8 734 28 8 74 8 8 8 7 8 8 7 8 8 7 8 8 7 8 8 7 8 8 7 8 G 2.32.5.4

PBM 50 17.

PBM 450 17.

PBM 451 17.

PBM 78 17.

PM 98 17.

PM 9 CBIA CCX CCX CCX CGNA CG CLC 2772 80% 74 10 65 287 55 Critical Control Contr A STATE S TO SECTION OF THE NEW PORTS Foodstop Foodsop Frysidio Frysidio Frysidio Frustri Fr CNAI CPICING CNAI CPICING CSX CSI Inc. Celebra Csi Inc. Csi Inc 9 1099 60952 151 34 029 60952 151 34 029 60952 151 34 029 60952 151 34 029 60952 151 34 029 60952 151 34 029 60952 151 34 029 60952 151 50942 151 · 如何即为那只我们有多好以为,它的从然你们!那么多数极色极力或极色和感染的重要多数是我们的对待每方面是这种数据 308 48 12 500 49 7 500 49 7 250 49 7 250 49 33 12 301 15 12 112 40 15 wi pro 250 40 12 176 68 9 248 57 8 41050 68 1 29 12 1 50 10 5 2 78 10 · 新作品记录器处理的形式 2 2 行为的人不可能是不知识,我们是可能是不知识的,我们是一种的人,我们也是一种人,我们也是一种人,我们也是一种人,我们也是一种人,我们也是一种人,我们也是一种人,我们也是一种人,我们也是一种人,我们也是一种人,我们也是一种人,我们也是一种人,我们也是一种人,我们也是一种人,我们也是一种人,我们也是一种人,我们也是一种人,我们也是一种人,我们也是一种人,我们也是一种人,我们也是一种,我们也是一种,我们 Michael Marker Medical Marker Medical Marker Medical Marker Merchin Medical Marker Marker Medical Marker ingress inwite in the internal inwine in the internal inwise in the inwise inwi GAPPX GAPPX GECO GETTE 忽然就是这个可有的,只有可由感觉可有的,而用它的有效可以不同感感的不行感中的时,可以可以感觉的感觉的感觉的可以感觉的可以可以感觉的现在分词,可以是是一种,可以是 27-2-36-2 24-3-14-4 43 551-19-2 94-251-26-4 D-D-D-D

30 1.4 10 120 50

30 1.4 10 120 50

30 1.5 10 578 1314

4.4 4.8 16 222 574

4.4 4.8 16 202 574

4.4 4.8 16 202 574

4.4 4.8 16 202 574

4.4 4.8 16 202 574

4.4 4.8 16 202 574

4.4 4.8 16 202 574

4.4 4.8 16 202 574

4.4 4.8 16 202 574

4.4 4.8 16 202 574

4.4 4.8 16 202 574

4.4 4.8 16 202 574

4.4 4.8 16 202 574

4.4 1.8 10 507 574

5.4 1.7 12 12 114

5.4 1.8 10 507 574

1.8 2.0 16 50 15

1.8 2.0 16 50 15

1.8 2.0 16 50 15

1.8 2.0 16 50 15

1.8 2.0 16 50 16

1.8 2.0 16 50 16

1.8 2.0 16 50 16

1.8 2.0 16 50 16

1.8 2.0 16 50 16

1.8 2.0 16 50 16

1.8 2.0 16 50 16

1.8 2.0 16 50 16

1.8 2.0 16 50 16

1.8 2.0 16 50 16

1.8 2.0 16 50 16

1.8 2.0 16 50 16

1.8 2.0 16 50 16

1.8 2.0 16 50 16

1.8 2.0 16 50 16

1.8 2.0 16 50 16

1.8 2.0 16 50 16

1.8 2.0 16 50 16

1.8 2.0 16 50 16

1.8 2.0 16 50 16

1.8 2.0 16 50 16

1.8 2.0 16 50 16

1.8 2.0 16 50 16

1.8 2.0 16 50 17

1.8 2.0 16 50 16

1.8 2.0 16 50 17

1.8 2.0 16 50 17

1.8 2.0 16 50 16

1.8 2.0 16 50 17

1.8 2.0 16 50 17

1.8 2.0 16 50 17

1.8 2.0 16 50 17

1.8 2.0 16 50 17

1.8 2.0 16 50 17

1.8 2.0 16 50 17

1.8 2.0 16 50 17

1.8 2.0 16 50 17

1.8 2.0 16 50 17

1.8 2.0 16 50 17

1.8 2.0 16 50 17

1.8 2.0 16 50 17

1.8 2.0 16 50 17

1.8 2.0 16 50 17

1.8 2.0 16 50 17

1.8 2.0 16 50 17

1.8 2.0 16 50 17

1.8 2.0 16 50 17

1.8 2.0 16 50 17

1.8 2.0 16 50 17

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16

1.8 2.0 16 231<sub>2</sub> 120<sub>2</sub> 120<sub>3</sub> 241<sub>6</sub> 246<sub>2</sub> 121<sub>6</sub> 257<sub>2</sub> 257<sub>2</sub> 257<sub>2</sub> 257<sub>2</sub> のの間にないるのではない。 在我们是我们的不是什么可以的的人,也也是我们的是我们的,我也不是我们的人,也是我们的人,我们就是我们的人,我们也是我们的,我们也是我们的人,也是我们的人,也是我们的人, 如何是我也就在我们他的我们就知识的。 我们就没有不非常的人,我们就是我们就是是我们就是我的过去的人。 我们是对我的人,我们我们你们就会就不是我们的人们,我们就 +1 -2 - - +1

LINE LIFE BY LICE LIVY LIVY LIVY LIFE BY LIFE

20mmのである。 10mmの 10mm 1

H-H-H 3 1 9 9 130 0 6 7 11 1282 6 8 3 1029

HRT Halfe Halben Hallwij

\*\* TEXT STEET STEE

Kidder, Peabody Securities

Market Makers in Euro-Securities



EGG E Syst EngleP Ensco EastAir EAL. EAL

ADI ADI ALC PIN ALC PI

\(\text{Sin}\) \(\tex

#### DiegB DieSet Digloos Direct Direct Distant Diese The Dome Dome Dome Direct Distant Dis GuidT GrahCp GradA; Grant Gract: Grant Grann Gra OEA Outsel OdetB OdetB Oleten Openh, Oriditi Oraund Osube Osube Osube Osube LSB Lafter, Lafter, Lafter, Lafter, Laster, La CDISCO CHIEFE CARE STATE CARE STA H-H-H 8 58 80 40 1 HALL HARD Hampel 4日日72岁山安徽河中岛市中方2名644公司公安城5721146 5安徽城市7. PGE-06 PG 到以我们在我们的中的时间也是不是在"我们也不是他们的是我们在我们的。" 化化多级化剂 多种可能与从古老头的作品,现代人的现代来说是你也就是我们 的现在分词的人说话是我们是我们的人的人,我们们的我们就是这种的,我是我是我们的人们的人们的,他们只是我们也不是我们们的人们是我们的人们的人们的人们的人们的人们的人们的人们的人们的人们的人们的人们们们的 为1 5.通数数据通信处理的内存概念以供与数据分别明白数据处理的通过的典型从内的的计区的 5 亿,为数据代码。 EAC EECO Englor Englor Echold Echold Echold Elamor Emile Englig Espir Eroin Espir Es 1016777340133255日21日14755日207531212555 STATES SERVICE A TENEDOM SET TO STATE SERVICE 不也不多想要的在第一个现在分词另形代写影影的是人 811327671614835102412851842777722 不動作其為因為 人名西西斯西班牙斯西班牙斯西班牙斯 21 pf 8 12. .60t 15. 4 s.80 4.4 9 2.20s 6.8 7 34 1147-8352344536655242255842555737325577146657745556165541565817 120 18 10 1.08 82 11 .71 68 13 wt.27:77 172 11. 10 1.36 28. 1.20 15 9 1.80 84 12 1.36 3.5 12 40 2.0 13 g. 18 in: 52: 7.5 .405 3.8 1.20n 2.9 1.20 17: 2.40 7.6 20 1.5 .60 2.9 n pt1.10 9.6 -4 以前一般也在他就上的好上就是我们就要 8 大河南部的城市 美術教制作以下200克黎沙斯斯·巴165以上2004年75岁12月16 ICH ICO IPM IRTC: ISS 94 9 5 T 62 2 2 3 10 23 5 13 5 2 5 13 5 2 17 7 4 15 6 25 5 2 25025425255125121215151573 7 33 56 1-10 195 463 102 95 1 1 1 25 25 25 25 12 2 2 3 5 5 5 3 1 1 8 4 2 7 2 2 3 3 3 4 implication important impo P7 22 A 15 7186 B A139 34 1 29 15 44 285 20 22 +14 11-11 30% 30 1173 8% 1673 1473 1473 247 2573 273 140<sub>2</sub> 61<sub>4</sub> 8 . 8 13-10 81<sub>4</sub> 42<sub>4</sub> 101<sub>4</sub> 55<sub>4</sub> Jedyn Jecobs JedAm JedA Jecoon Joseph Joseph Joseph Joseph Joseph Joseph Joseph 17 St. 5 25 St. 60 St. 74 1113 24 4 32 25 74 42 14 St. 15 St. 16 2000

BATM BDM BRTF BSNP BRIDE 10 5 3 10 2 25 10 3 11 4 15 4 17 4 15 10 20 5 25 10 25 15 15 1 25 34 28 1 34 18 7 9 2 10 2 11 24 11 74 11 66 19 2 24 16 44 15 22 BOX DESIGNATION OF THE PROPERTY OF THE PROPERT 52 10 12 1 11 10 13 22 4 10 4 5 17 24 10 13 22 5 10 2 815 15 15 15 16 0 B 15 14 11 25 12 18 4 11 11 17/15/31-16/15/15/31/15/ 20 17 18 n.40 50 8 13 58t 3.5 25 20 23 ,20 17 19 9 Kapole KayCp Kearth Keathn KayCo KeyPh KayCu Kay KayCu Ka 85 45 35 162 183 RAI FAISE RTC Ragen Ranabo Continued on Page 32 12 M Stock
PatPit
PayNW
Payt
PayCut
Pentoy
Pencon
Pencon
Pencon 11/2 14 11/2 133, 64, 15-36 PugesP Puffetter Purcher Pyro Qualco Qualco Qualco 132 203 253 83 310 215 240 182 133 2012 116 435 864 205, 144, 181, 82, 16-16, .: =**1** 15 211 424 91, 391, 211, 112, 467 763 252 378 544 458 138 Neveril Neveril Navir Hattpf Navir 4.18 12. 250
4.18 12. 250
4.18 12. 250
4.18 12. 250
5.26 13. 250
1.52 12. 26
1.52 7 24 85
1.52 7 24 85
1.52 12 95
1.52 12 95
1.52 12 95
1.52 12 95
1.52 12 95
1.52 12 95
1.52 12 95
1.52 12 95
1.52 12 95
1.52 12 95
1.52 12 95
1.52 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 95
1.53 12 | Property Sauffer Sauffe THE RESERVE ASSESSED AND THE PROPERTY OF THE P Part Part Name P Tentron
Tentro Nemaps Nemaps Nemaps Nemaps Necota North North North North Nacota RESIDENCE OF THE PURE OF THE PROPERTY OF THE P Onided On 1.52 4.5 13 7

1.52 5.5 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7

1.52 5.7 7 VF
Valero
Valer
Valer
Valer
Varco
Va WICCA
Waste
Waste 25 18 5 30 8 25 5 23 22 25 17 25 14 15 19 27 18 1 MAN STATE STATE OF ST Continued on Page 32 老品不管第一10亿名的第七万数数人生兴美国的农村农务员 

TOK TECO TGF TNP TRE TRIW TacSor Tatter Tarter Tanda

# WORLD STOCK MARKETS

AUSTRIA  Feb. 11 Price + or Soft - Greditanstalt
Goesse 582 -3 Allianz Vers 1,00exr -5 Borregaard 455
BELGIUM/LUXEMBOURG  Brown Boveri 190.5 +3   Storebrand
Feb. 11 Price + er Oegussa 868 -1 SPAIN   News
Bekkert B. 5,000 +50 Sresiner Bank 188,5 -0.7 Boo Silbao 318 Pioner Conc. 1,55 -0.9 Hispon Yster 3240 Acquire Bank 188,5 -0.7 Boo Silbao 318 Pioner Conc. 1,55 -0.9 Hispon Yster 3240 Acquire Bank 188,5 -0.7 Boo Silbao 318 Book 188 St. 54 St. 55 St. 54 St. 55 St
Fabrique Net 2.090 +30 Norten 187 -1 Bas Santander 355 358 72 174 174 72 Great Western 285 +25 284 274 274 274 274 274 274 274 274 274 27
Hoboken
Fich 1 Prics + or Soc. Gen. Belge. 1,805 - 10 Mercedes Nic 663.4 - 2.1 Feb. 11 Prics + or Soc. Gen. Belge. 1,805 - 10 Mercedes Nic 663.4 - 2.1 Kronor, 1712 + 2 Akos 2815 12/12 12/14 + 18 Bornet 127 15 14/2 15 + 14 Contact 28 15 15/2 12 12/14 + 18 Bornet 127 15 14/2 15 + 14 Contact 28 15/2 12/14 + 18 Bornet 127 15/2 14/2 15/2 15/2 15/2 15/2 15/2 15/2 15/2 15
UCB
Thyssen
Baltic Skand 590
Forsinede Brysts   815   +8   Liva   - Velvo B (Freel 294   -4   SHK Props.   9.15   -0.25   Toppen Print.   9.4   -1   Shell   1.5
Move Ind
Superform
Frs. — Trop Assistant 1,700 = 200 Heff-RochoPitts 67,000 + 525 Amada
Emprunt 72 1973 73.565 - 50 Accor - 264.5. +2.5 Accor - 265.5. +2.5 Accor - 264.5. +2.
Bourygues
Colle Sancaire
Eif-Aquitane 256 + 1  Eatlor
L'Oreal 2,265 28 Orst Brock 28
Mild [Cis]
Petroles Fra
Redote 1,275 +18 Relinco 230 +15 Brainles inds 5,71
Thomson GSF 495 +2 VNU
NOTES — Prices on 1815 page are 8s duoted on 186 Jonsolidated Pet 9.6
CANADA  Di'gs  P/ Stc. Diene Fron. High Low Stock Div. Yiel E 100s High Low Division Div
Solina Stanct. High Low Closs Group   Solina Stanct. High Low Closs Gr
PERTURN 11 50 Sept. 1 50 Sept. 2 1 50 Sept.
3102 Afguras 9: \$230, 272, 253, + 1, 2550 Dictorer A 1 495 400 400 \$200 LOra Com \$113, 113, 114, + 1, 300 \$8 Brotzest \$126, 272, 275, + 1, 2550 Dictorer A 1 495 400 April 2515 Dictorer A 1 495 400 Lora Com \$113, 113, 114, + 1, 300 \$8 Brotzest \$126, 272, 275, - 1, 273, 274, 274, 274, 274, 274, 274, 274, 274
100 BP Cannota \$280, 281, 282, 283, 284, 425 Dytex A \$34 334, 334, 4470 MCCC \$20 220 220 -20, 820 Yest Cor A \$171, 114, 117, -1, 129, 71, 115M .00 42 8 89, 89, -1, 129, 121 Yest B \$1, 121, 121, -1, 129, 71, 115M .00 42 8 89, 89, -1, 129, 121 Yest B \$1, 121, 121, -1, 129, 121, 121, 121, 121, 121, 121, 12
1540 Bonanta R 415 418 416   1050 C Falcon C 610, 151, 151, 155   4000 Marphy 520 20 20 10 10 10 10 10 10 10 10 10 10 10 10 10
2429 8CFP 5114 114 115 -14 115 115 114 115 -14 115 115 115 115 115 115 115 115 115 1
11750 BC Prices 1272 2274 500 Prices 12750 Brunswit 6165; 1574 1575 1574 1574
30312 Citrie A 1 8104 104 104 104 104 104 104 104 104 104
30312 Citre A 1 \$100, 100, 100, 100, 100, 100, 100, 1
16, 25 Vanish 11 5 5 5 14 PRICES 18, 101, 101, 101, 101, 101, 101, 101,
AMERICAN STOCK EXCHANGE PRICES    7,   54,   171,   175,
High Low Stock Div. Vid. E 100s High Low Gents Close Will Low Gents Close High Low Gents Close Will Low Gents Clow Will Low Gents Close Will Low Gents Close Will Low Gents Close
44 1 Rather 2 114 114 1-14 155 156 157 157 157 157 158 158 158 158 158 158 158 158 158 158
Continued from Page 31  The state of the sta
September 1
St. 25 Sept. 12 15 Sept. 12 Sept.
35 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
527, 327, 5xnW 230 548 3 4535 53 54 +1 851, 852, 8052 273.812 2 845, 644, 644, 644, 644, 644, 644, 644, 6
0. 44 54 54 55 55 53 55 52 513 55 4254 22 222 222 222 222 222 222 222

ia; February

LONDO

23565 5 75

The Marie .

Section 2

7

"RIGHTS" OFFERS

**OPTIONS** 

A.B. Electronics,

**EQUITIES** 

# Renewed sterling worries lower Gilts but arouse

demand for UK exporting groups

Account Dealing Dates "First Declara- Last Account Dealings tions Dealings Day Jan 28 Feb 7 Feb 8 Feb 18 Feb 11 Feb 21 Feb 22 Mar 4 Feb 25 Mar 7 Mar 8 Mar 18 pince from e.30 am two business days dividend season on March 5, bardened a couple of pence to

New-time 'dealings may take place from 2.30 am two business days earlier.

Gilt-edged securities wilted in London yesterday as investors became concerned about the effects of the continued one-way traffic in the dellar. Stering and other lesding currencies fell to new lows end webdesale credit rates rose, exerting pressure on the current 14 per cent level of bank base rates; the three months interbank rate closed at 13 per cept.

More feromental way take which start the clearing bank dividend season on March 5, 690p, but Midiand gave op 4 st 345p. Royal Bank of Scotland eacted from recent strength; in ex rights form, the shares closed 18 down at 250p, while the Dew closed et 3Sp premium. Merchant banks began the week 5n easier note. Hill Samuel lost 8 at 335p and Hambros softened 6 at 172p.

In Buildings George Dew gained 4 to 72p, after 76p.

months interbank rate closed at 134 per cept.

More fevourable U.S. bond market trends on Friday failed to soothe investors' fears, which were reflected in a fair volume of selling. Domestle institutional and overseas operators thoward a marked rehumance is.

Price recoveries, instigated by bear-coverisg purchases, failed ts last and the market became to last and the market became very edgy late in the afternoon when the exchange rate dropped below \$1.10 against the dollar. During the after-hours' trade, substations stesdied but both short and isoger maturities closed with falls extending to 12 points and at the day's lowert points and at the day's lowest. Index-linked Gilts were more stable, being belined by occa-

Equities were initially vulnerable is sterling and other adverse influences. Rising crude oil prices, bowever. sroused demand for leading oil stocks on thoughts of increased offtake thoughts of the extremely cold weather, end the downium was halted. A little later buyers began appearing for exportorientated concerns and other groups that should benefit from

months interbank rate closed at 132 per cept.

More fevourable U.S. bond market trends on Friday failed to soothe inveators' fears, which were reflected in a fair volume of selling. Domestic institutional and overseas operators showed a marked reluctance is commit fresh funds after last Thursday's buying spree, leaving the way clear for sellers throughout the seasion.

Price recoveries, instituted by bear-coveries purchases, failed its last and the market became

6 at 172p.

In Buildings, George Down and to 72p, after 76p, following better-than-expected annual results, while McCarthy and Stone moved up 15 to 245p and Stone moved

ICI were a relatively quiet market and fluctuated narrowly prior to closing 3 dearer on halance at 8830. Among other Chemicals, Croda International firmed 4 to 1490 following Press comment, while Scottish Agricultural Industries moved up 8 to 320n shead of Thursday's annual results annual results.

Debenhams below best The downward trend of retail sales—the provisional figure for sales—the provisional figure for January showed a decline of 3.8 to 112.6 — found leading Retailers in 3 generally resilient mands. Prices rarely eased by more than a few pence as in Burton, 444n, Woolworth 6030, and British Home, 256p. Debenhams, buoyant of late on vergical takeourer reculation. sistent takeover speculation, bucked the trend and attained a new 1984-85 peak of 2280 hofore settling a pet 7 up at

FINANCIAL TIMES STOCK INDICES Feb. Feb. Feb. Feb. Feb. year Government Secs...... 75,36 80,04 60,24 79,63 79,63 79,27 82,60 Fixed Interest....... 83,50; 84,04 83,86 83,81 83,50; 83,10 86,81 ..... 221,1 988,5 989,2 983,3 982,4 968,5 805,0 Gold Miles 470.8: 484.5 497.1 487.8 474.3 475.3 589.2 Ord. Div. Yield 4.34 4.56 4.36 4.37 4.39 4.45 4.52 Earnings, Yid.X (full) 15.83: 10.89 10.89 10.92 15.97 11.15 5.54 P/C Ratio (net: i\*) 11.02, 11.04 11.55 11.20 15.95 10.77 12.84 Total bargains | Est.) 25,089 25,355 24,690: 65,713 24,506 24,706 65,878 Equity turnover 2m. - 495.58 435.34 379.12 379.94 256.34, 214.07 Equity bargains...... \_\_\_\_\_ | 25,704 22,669 21,386 20,980 20,779; 22,539 - 277.4 215.8 182.5 120.2 129.0 141.4 10 em 982.5. 11 am 982.7. Noon 984.0. 1 pm 985.8. 2 pm 985.3. a om 988.5. Sasis 100 Govt. Secs. 15/1/28. Fixed Int. 1928. Crdinary 1/7/35. Gold Mines 12/9/55. 2E Activity 1974, Latest Index 01-268 8026. NII - 15.73. HIGHS AND LOWS S.E. ACTIVITY 1984/85 | High | Low | High | Low | Daily | Olit Edged | Sargaine | 158,7 | 159,5 | Sargaine | 150,7 | 150,7 | Sargaine | 1601,7 | 872,7 | Sargaine | 1601,7 | 872,7 | Sargaine | 1601,7 | 872,7 | Sargaine | 150,7 | Sargaine | 1

orientated concerns and other troops that should benefit from the fall in the exchange rate. Telk of American surport recreased embracing such stocks as British Telecom. Imperiel Groun. Trafalgar House and Jaguar. The recoverv in values continued after the official house classe, to leave the FT Ordinary classe, to leave the FT Ordinary chare index a net 2.6 up at maiden interiled dividend, while profits and reports that scope for taxalism citism cuts in next month's Budget bad diminished.

Standard retreat

Adverse comment in the wake of Citicorp's decision to elimipate its public-sector loans to South Africa by the end of Dext mooth, affected banks with substantial interests in the country. Standard Chartered were particularly vulnerable and retreated to 502) before closing 10 down on balance at 234p. Cable and Wireless cheapened 7 to 525p before closing 10 down on balance at 234p. Cable and Wireless cheapened 7 to 525p before interested among second-ine the more of noteworthy features emerged among second-ine the fall interest of the day 6.5 lower, nortally reflecting week-end reports that scope for taxalism citism cits in next month's Budget bad diminished.

Standard retreat

Adverse comment in the wake of Citicorp's decision to elimipate the fall of the profit of th

any knowledge of bld activity, ettraction in Engineerings rose 27 to 200p, after 205p, Vague rumsurs of a rights gestions of bid possibilities and issue brought selling pressure to bear on Standard Telephones up at the day's best of 250p. moved steadily ahead to class 16 up at the day's best of 250p, Hawker, reflecting its overseas earnings potential, rose 8 to 435p, while Rabcock improved 7 to 145p. Carelo advanced 7 to 145p oo the proposed sale of a subsidiary for £3.5m, while the balf-year profits recovery left Manganese Bronze 5 to the good at 58p. Planet Group came to life with a rise of 8 to 80p and Westland rallied 5 to 111p after recent weakness on worries about future belicopter orders.

Among Food Retailers, Argyll lost 7 to 273p and J. Sainsbury Among Food Retailers, Argyll lost 7 to 273p and J. Sainsbury softened 4 to 312p, but Albert Fisher attracted further buying interest and firmed 4 msre to 125p. Elsewhere, Bassett gained 10 to 193p as hid rumours resurfaced, while Meadow Farm rose the same amount to 380p of Press suggestions of a major deal with Marks and Spencer. Share-split-rumours accompanied

> Traf. House improve Easier initially, most leading miscellaneous industrials edged higher later to close with small gains on balance. Trafalgar

cear with Marss and Spencer.
Share-split rumsurs accommanded demand, for Hazlewoods, up 1 more at £111. Renwed support lifted Avana 101 to 625p xd and British Vending Industries 3 ts

Trust A found support and firmed 4 to 101p.

Buoyant last week following bullish notices emanating from

a number of brokers' meetings, Jaguar remained lively and advanced 21½ to 357p xd amid reports, later denied by Jaguar, that General Motors is currently building a stake. Elsewhere in Mator aectors, Dunloy ettracted renewed support and improved 3½ to 46p reflecting hapes of an increased offer from BTR, or of an epproach from a third party. In Distributors, Frank G. Gates diprod 2 for a two-day fall

party. In Distributors, Frank G. Gates dipped 8 for a two-day fall of 18 st 70p as the bld from Carroll Motor lapsed.

Significant msvements in Properties were few, but Marier Estates attracted revived demand and rose 7 to 155p. Espley Trust put on 2 to 15p on small buying, while Edmond Holdings added 11 to 13p. Sharply increased profits over the 10-mouth period lifted Priest Marians 55 to 805p in a restricted market.

In Shippings, Milifard Docks, still excited by the pear-30 per cent atake taken by e consortium headed by the Marquis of Milifard Haven, advanced 7 to 82p.

Sentiment in Textiles received a sharp jolt from Nottingham Manufacturing a preliminary profits, which were some £6m below most market estimates, and brought a slump in the share price of 31 to 215p. Friday's speculative high-flier, Towles A were marked 12 lower to 64p in belated response to the chairman's attempts to diffuse the man's attempts to diffuse the situatisp, but David Dixon rose another 7 to 175p.

Oils sharply higher

issues attracted substantia interest, specially Great Western Easier initially, most leading miscellaneous industrials edged higher later to close with small gains on balance. Trafalgar House were noteworthy for a rise of 11 to 384p aisng with Metal Box, which closed 10 ts the good at 420p. Elsewhere, e further re-rating after the sbarp interim profits recovery laft TSL Thermal Syndicate up 185 msre at 210p. Late support lifted Pearson 23 to e fresh 1984-lifted Pearson 25 to e fresh 1984-lifted Pearson 25

28 11.60 B

5.60 A F1.75.50 5.60 A F1.75.50 5.60 A F1.75.50 5.70 A F1.75.50

5,15 F1,21,40 — F1,49,60

108 35 10

**EUROPEAN OPTIONS EXCHANGE** 

13,60 4,50 11 5 1e,50 5 1,80 5

FI,400, 39 1;
FI,880 57;
FI,100, 28;
FI,150, 40;
FI,200, 35 2;
FI,215, 28 7;
FI,100, 200 1;
FI,151 444;
FI,100, 200 1;
FI,180, 10
FI,180, 10
FI,180, 168
FI,180, 5
FI,85, 76
FI,48, 240
FI,48, 240
FI,48, 240
FI,48, 240
FI,48, 240
FI,180, 32
FI,280, 32
FI,280, 32
FI,280, 11

TOTAL VOLUME IN CONTRACTS: 23,765.

AH D AH P AKZO C AKZO P AMRO C AMRO P

McConnell, 3 few pence easier et 259p, were again briskly traded awaiting the possibility 5f e fresb bid from Dee Corporation. Barco Deam, a good market since last week's move to sell its kitchen furniture interests, improved 4 msre ts 24p, but Dalgety eased 7 to 483p despite announcing interim figures in line with expectations. Herizon Travel, a rising market last week an Press suggestions of e bid from Rank Organisation, gave up 8 to 140p in the absence of any developments. Among other Leisure issues, Barr and Wallace Arnold Trust A found support and

South African Financials suf-fered along with Golds, but the UK-demiciled issues provided 3 firm feature in Rio Tinto-Zinc which advanced strongly to close 15 higher et 685p

A NII 22/3 | NII 12.5 | 12.5 | NII 12.

RISES AND FALLS **YESTERDAY** 

Corpns, Dom, & Fereign Bonds ... Industrials Financial & Props.

LOWS FOR 1984/5

Oils sharply higher

Oils provided a host of firm
féatures. The major issues rose
strongly, reflecting the latest
wava of bad weather throughout
much of Europe which prompted
sharp gains in crude sil prices on
spot markets, Although not
always bolding their best levels,
the leaders posted gains which
ran into dsuble figures with BP
and Shell up 13 apièce 21.558p
and Jeb respectively. Royal
Dutch settled \(\frac{1}{2}\) firmer at a year's
high of £49, while LASMO, aided
by favsurable Press comment
imoved up 10 to 355p. Secondary
issues attracted substantial

NEW LOWS (22) BUILDING\$ [1)

ELECTRICALS (4)

STC

Systems Reliability

INDUSTRIALS (3)

A Fig. Middled Marks LEISURE (1) MOTORS (1)

space Eng'g Olls (1)
west Resources.
MINES (9)
om GM K.
Oil & Mine. Metay
s Pacisc North
Corp. Whim

African sectors of mining mar-kets. Bullion remained firmly in its recent trading range and bovered around the \$300 an ounce level before closing a net ounce level before closing a net 75 cents up 5t \$300.

The late downward pressure on the rand on Friday evening led to e sharp mark down of Sonth African gold and related issues at the outset. Thereafter, pressure on the South African currency increased and share prices wilted further before staging a modest rally during the late afternoon. The Gold Mines index consequently fell 2 further 13.7 to 470.8 — 2 decline of 26.3 over the past two trading days

Adverse comment 50 the proposed merger of Anglo Ameri-FIXED INTEREST STOCKS

posed merger of Anglo American's Orange Free State gold mines upset sentiment in President Brand, which lost £1½ to £20½, and President Steyn, £1½ sff et £24½.

Australians attracted persistent selling in overnight Sydney and Melbourne markets and opened sharply lower in London. Thereafter, business fell to minimal levels and the leaders closed et around the day's lowest. Golds showed widespread losses with Poseidon 10 down at 181p, Gold Mines of Kalgoorite 5 off at e 1934-85 low of 345p and North Kalgurii 2 lower at e year's 180 of 29p.

Traded Ontions beyon the week

lower at e year's 1sw of 29p.

Traded Options began the week
55 a lively note with 12,087 contracts struck. Imperial Group,
due to announce interim figures
on Thursday, attracted 2,052
calls, the February 200's and
220's accounting for 527 and 545
trades respectively; Imps also
recorded 1,047 puts, 529 in the
May 220's. British Telecom contributed 2,178 calls, while Jaguar
attracted 998 calls and 109 puts.

FRIDAY'S **ACTIVE STOCKS** 

Ranunciation data usually last day for dealing free of stamp duty, b Figures based on prospectus estimates. d Olvidend rate paid or payable on part of capital, cover based on dividend on full capital. 5 Assumed dividend and yield, a Forcast dividend cover based on previous yeer's semings. F Dividend and yield based on orcospectus or other official estimates for 1986. It Dividend and yield based on orcospectus or other official estimates for 1984. Q Gross. p Pence unless otherwise indicated. T leaved by tender. 1 Offered holders of ordinery charge as a "rights," sound by way of capitalisation. § Finiture-ducad. If leaved in connection with prorponlection merger or takeover, Allotmant letters or fully paid. If Introduction. S Unlisted Securities Market. § Piecing price T Figures assumed. 11 Official London Listing. 15 Seekt in under Rule 535(3). † Comprising 100 Prf. and one Ptg. shere, † Comprising one 11 per cant Cay.Une.Ln. stk. and one Werrant.

First Last
Deal- Deal- Declara Declara Dealings ings tien ment
Feb 4 Feb 18 May 9 May 20
Feb 18 Mar I May 30 June 10
Feb 18 Mar I June 13 June 24
For rate indications see end of Share-Information Service
Active conditions again prevailed in options with calls struck in Atlantic Resources, Waterford Glass, Eglinton Oil
Waterford Glass, Eglinton Oil
Waterford Engineering, CKN 17
Thom EMI 17 Ports, Debenhams, Aran Energy,

**ACTIVE STOCKS** 

Barratt Developments, Amstrad Consumer Electropics, Foster Brothers Clothing, Quest Auto-Amber Industrial, Pentos, New Court Natural
Resources, Jaguar, Arthur
Henriques, Steinberg, United
Biscults, Marks, and Spencer. Biscults, Marks and Spencer, Great Western Res..... Jardin Matheson, Kwik-Fit and ICI Armstrong Equipment. A put moorlel Group was taken out io Dunlop, while a deuble was struck in Silver-

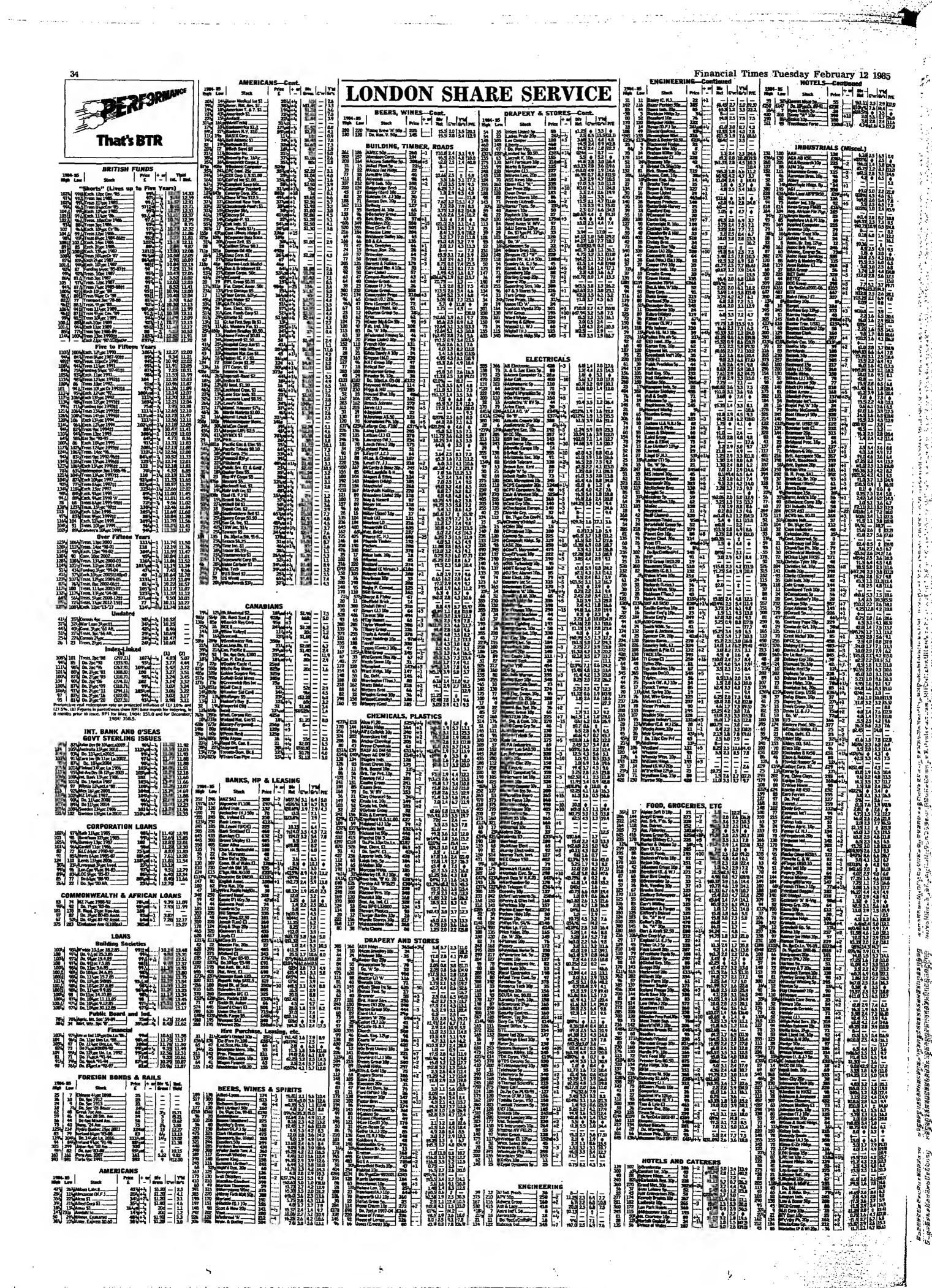
# LONDON TRADED OPTIONS Feb. May, Aug. Feb. May. Aug. Apr. Jly. 016 018 114 315 | 700 | 175 | 186 | -- | 2 | 750 | 125 | 135 | -- | 2 | 800 | 85 | 27 | 110 | 13 | 650 | 64 | 56 | 80 | 28 | 900 | 25 | 37 | 53 | 57 Mar. Jun. Sept. Mar. 8TR | 660 | 45 | 52 | 50 | 12 | 27 | 150 | 12 | 27 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 1 Shell Trans. 650 | 217 | - | 2 | 2 | 650 | 157 | 172 | - | 5 | 4 | 650 | 155 | 125 | 150 | 5 | 650 | 155 | 125 | 150 | 5 | 650 | 155 | 125 | 150 | 5 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 80 20 103 4 15 55 52 80 17 50 27 43 66 37 50 13 38 - 60 75 | 160 | 40 | 48 | - | 2 | 180 | 24 | 31 | 37 | 5 | 200 | 15 | 18 | 22 | 11 | 220 | 2<sup>1</sup>2 | 2 | 13 | 25 | Traf'gar Hee 280 | 111 | - | - | 3 | 550 | 21 | 94 | - | 2 | 550 | 54 | 68 | - | 2 | 360 | 36 | 42 | 47 | 7 | 390 | 15 | 25 | 31 | 15 BAT inds. 280 105 115 125 1 1 1°583) 300 95 25 103 2 1 320 55 62 76 2 2 390 5 22 37 18 200 44 48 — 2 4 280 29 22 35 4 7 240 2 15 18 2 13 | \$00 | 135 | 142 | 155 | 8 | \$50 | 85 | 92 | 105 | 2 | \$60 | \$7 | \$65 | 70 | 2 | \$655 | 15 | \$0 | 42 | 22 681<sub>2</sub> Ol<sub>2</sub> 451<sub>2</sub> 51<sub>2</sub> 361<sub>2</sub> Ol<sub>3</sub> 28 Ol<sub>4</sub> 201<sub>2</sub> 1 151<sub>2</sub> 41<sub>2</sub> 11 13 Feb. . 11 Total contracts. 12,087. Calls 2,176. Puts 2,211. \* Underlying security price.

### FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries .

	EQUITY				Mo	o Feb	11	1985		Fri Feb	Thur Feb	- Wed Feb	Toes Feb	Year ago
F1	& SUB-S Igures in parenthe stocks po		manber	of jad		y's Yie		Gross Div. Yield% (ACT at 30%)	Est. P/E Ratio (Net)	Index No.	ladex No.	index No.	inter to.	index No.
1	CAPITAL 6005			544 498	62 +6	1 9	L78	3.99	12.79	544.38 500.72				478.86
. 3	Building Materia Contracting, Con	estruction	(30)	726	57 -		3	5.41	9.57	724.29				733.42
- 4	Electricals (1.5)			1577	47 +L		136	4.67	1243		1400.11			
. 5	Electronics (36)			1795 290		_ , _	51	2.35 5.82	10.37	1711.49 288.57				1619.82 239.47
. 8	Mechanical Engl			176				7.35	9.44	175.90				150.77
. 9	Motors (18)			164	36 +1.		.70	4.60	11.66	161.93				132.63
10	Other Industrial			922			51	3.74	22.78	920.30 640.95			878.96 638.52	470.35
21 22	CONSUMER OF Brewers and Dist			560			.70	4.62	10.60	506.75				46111
. z	Food Mamufactus	ring (20).		502			.72	4.62	1849	503.01				377.82
26	Food Retalling C	12)		1029			4	2.39	20.58	1490.47				1862.24 717.86
- 27	Health and House Leisure (23)	COOK! PTU	USCES (4).	691			34	4.73	35.87	701.23			508.16	629.37
32	Newspapers, Put	dishing C	2)	2794	J4 -0.		.90	4.26	18.45	1707.07		1677_14	1667.53	
. 33	Packaging and P	aper (14)		38% 543			2	3.44	16.10	318.44 547.17		309.74 542.90	310.63 538.75	422.86
- 34 - 35	Stores (45) Textiles (19)			122			20	425	9.53	334.63		327.49	328.16	269.81
36	Tobaccos (3)			1000	.27 -1.		52	3.54	8.90	1015.69	994.10	996.04	905.11	530.43
- 42	OTHER CROUP	5 (97)		- 681			23	3.85 1.95	11.75	676.87 821.78	676.97	673.99 624.58	670.54 816.92	422.53 595.88
42	Chemicals (17) Office Equipment	(4)		827. 131			12	461	14.76	122.78	182.42	175.88	175.40	129.86
44	Shipping and Tra	Asport CL	3>	1131	47 +0.	3 7	44	4.32	16.72		1136.64	1132.91	1132.55	842.88
46	Miscellaneous (6	1>		853			41	3.27	15.96	847.68		94476	836.74	550.17
48	Telephone Metwo			793.			쓹	143	13.42		786.38 633.16			470.86
. 49	INDUSTRIAL 6		3)	1206			=	6.22	8.56				1267.53	
크	OIS (17)		<u> </u>				95	417	12.42			676.97		515.74
59 61	FINANCIAL SE			457.			-	4.84	-	457.88	458.71	67.83	454.81	375.68
62	Banks (6)			478.			56	5.90	7.21	462-64	477.89	477.13	473.25	313.44
65	Insurance (Life)	(8)		_ 618. 318.			- 1	545		320.84		60419 373.81	503.97 320.44	525.81 251.78
· 66	Insurance (Comp	es) (8) esite) (1)		1147			72	3.02	20.67	1147.00		1148.20	1152.17	648.53
68	Merchant Banks	(12)		241.	27 -0.		_	4.44		242.88	245.62	242.97	241.96	236.49
. 69	Property (52)		<u>-</u>	638	15 +0. 55 -0.		32 99	3.50 5.45	25.06	636.97 295.12	634.65 296.68	634.12 296.92	293.67	525.88 265.69
· 끄니	Other FinancialG	- 1705) - 1705)		620		-		3.12		628.51	623.47	612.87	600.24	492.66
. 껆	Mining Finance (			303.	33 +14		63	5.01	13.17	300.35	296.03	292.31	290.07	305.36
91	Overseas Traders	(14)		664.			10	6.41	13.54	665.46	667.59	665.25	658.34	563.46
99	ALL-SHARE IN	EX (739	<u>)</u>	622	_	_		4.25		622.75	622.00	619.42	637.67	482.65
			•	Inde		nge Hi	gty	Day's				. :		
. —	FT-SE 100 SHAL	RE INDE	X	129	5 +23	2 129	7.7	200.7	_	1295.3	12%3	1289.5	1289.1	
	FD	KED !	INTE	REST	•	٠.			GE GR	VIELDS	. 1.	Mon Fub 11	Fri Feb	(apprax.)
_		Mon	Day's	fri	nd mil.	nd adi.	Т		Govern		-			
	PRICE NORCES	Feb	change	Feb	teday	1985	1 2			years		11.31 10.95	11.67	. 9.71 10.21
1		11	%	5.	· .	to date	] 5			years		19.55	18.38	9.83
7.	Mittish Communicat						1 3			years		12.09	11.77	18.96
	years	115.54	-0.78	116.45		1.16	5			5 yearse.		21.39 10.80	11.25 18.70	18.76 18.15
- 1	5-15 years	125,50	-0.95	126.70	_	1.11	6			5 yearso		12.21	11.93	11.14
		131.59	-8.89		0.73	0.95		Compon	15	YE275		11.55	11.41	18.92
- 1 -	over 15 years	144.64	-0.02			0.00	- 9		2	YEARS		<b>됐</b> 었.	18.73	- 18.22
	rredeemables	-		125.92	en'	1.12		Irredee	<b>120/6</b> 5,			10.27	18.18	9.78
5 /	VII stocks	124.78	-0.85				111			5 years.		12.13 12.12	12.17	11.47 11.59
6	khestures & Legas	106.50	-0.40	167.21	0.28	. 0.43	12		• • • •	15 years. 25 years.		12.12	11.74	11.61
7/1	reference	75.02	-0.64	76.37		1.16		Prefere		· ·	ŧ	15.09	12.97	12.11
				BRITISH	COVER	MENT		_						
<i>a s</i>	UI stocks	189.24	-0.10	109.34		0.37	15 16	taflation	rate	5%. 10%.		3.37 3.28	3.36 3.19	321 340
-1													of constit	

TFtat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday Issues. A fist of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, ECAP 4BY, price 15p, by post 28p, o Corrected figures for 8/2/1965. British Government Over 15 years (3) and All stacks (5) should read 133.51, and 125.92 respectively. The



Financial Times Tuesday February 12 1985 1856-3 1
205 -1
20 -1
21 -1
22 -1
14 --19 +12
19 -1
19 -2
125 -2
1354 -8
122 -1
15 --15 --15 --15 --15 --15 --15 --15 --15 --15 --15 --15 --15 --15 --15 --15 --15 --15 --15 --16 --17 --18 -NOTES

Notes notherwise indicated, prices and not dividently and in perce and decaminations are 250. Estimated procederatings ratios and convers are hased on latest sensal records and accounts and, where possible, are indicated on latest sensal records and accounts and, where possible, are indicated on latest street news commend on profit after translate and surrelated ACT where specialties in "all distributions. Questing figures, PEE are callegiated as 10 per cord or more difference it originated on "all" distribution. Questin are based on "mount-instribution, of the component of this trabules of the consparets gross dividend costs to profit after pastion, exchaining exceptional profits/losses that scholary extensive and introduced profits of edicated distribution and rights.

"Top Stack",

Highs and Lows marked than have been adjusted to allow for rights insure for cash.

I heterim since increased or research.

I letterim since increased ar research.

I letterim since increased ar research.

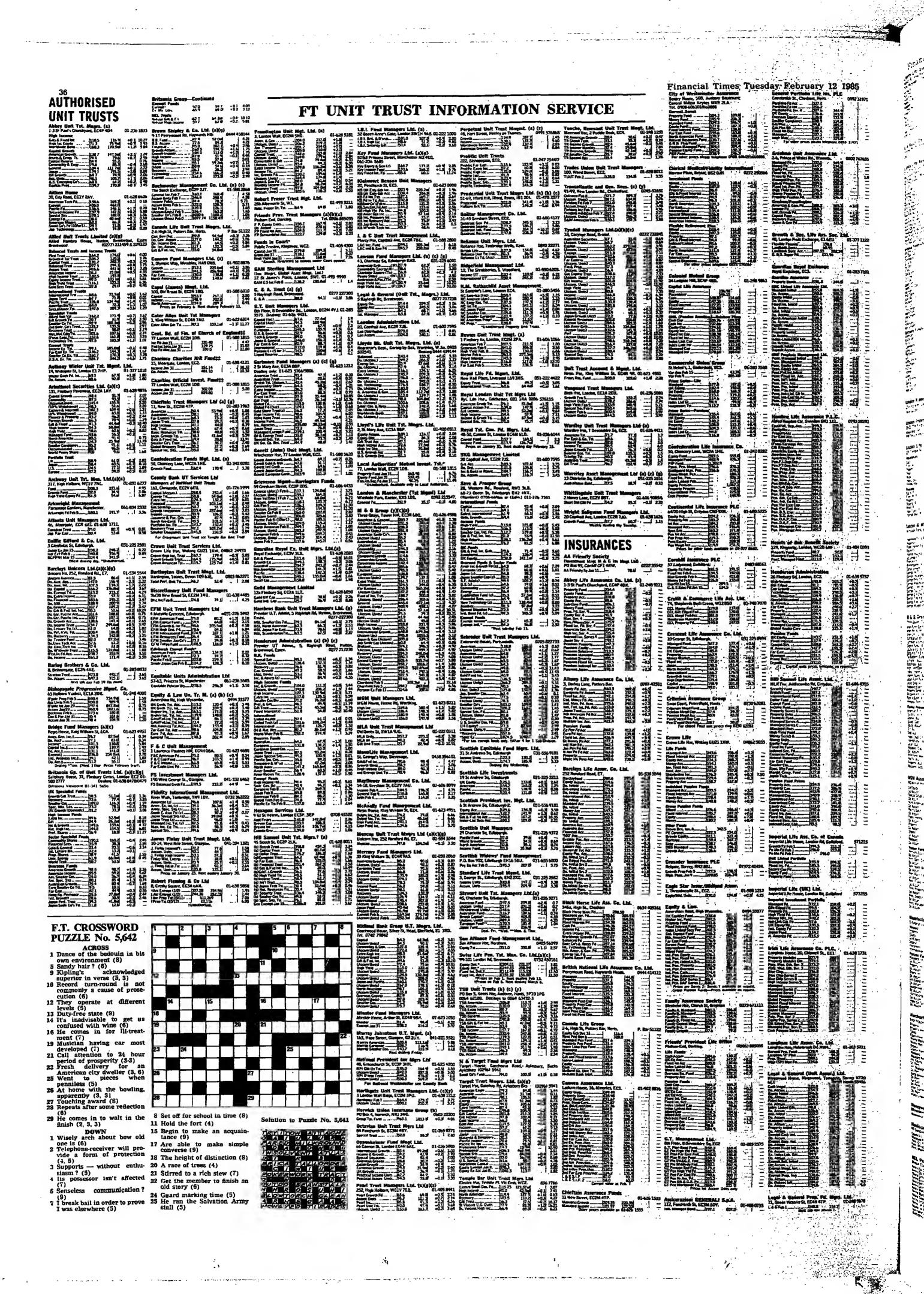
I letterim since increased ar research.

I letterim since increased are seasoned.

I letter in since in state of Stock Exchange and company and subjected to same degree at regulation as linead specification.

I letter in since in state of Stock Exchange and company as subjected to same degree at time of supersion.

I letter in state of the seasoned seasoned and subject in state of the seasoned and seasoned seasoned and seasoned and seasoned seasoned se | Committee | 19 | Comm OPTIONS ---- 3-month call rates



Financial Times Tuesday February 12 1985 INSURANCE, OVERSEAS & MONEY FUNDS CAL lovestments (Berninda) Ltd lew Zealand Insucance PLC Consequently Advisory Service (IoM) Ltd.

Commodity Se The state of the s

Mary 12 Mg

----

K. J

A Company of the Comp

# Copper prices at five-year high

THE RENEWED decline in the value of sterling belped pus copper prices to the highest level for five years on the London Metal Exchange yesterday. Higher grade cash copper gained £24.5 to £1,272 a tonne, a rise of £100 in the past month.

The fall in LME warehouse stocks encouraged the upword trend in prices but profit-taking sales emerged when the New York market failed to sustain a rise above 62 centa e la and months quotation in London appeared reluctant to break through £1,300 after reaching £1,298 at one stage. Three months standard grade

zinc rose to the highest level for more than 10 years, closing cash price also £15 higher at £770 is still below the peak reached in June last year, but edvanced in spite of werehouse

reflecting the drop in sterling and the firmer trend in copper.

e		METAL EXCHANGE
t	(Changes	during week ending February 8)
e a t	Aluminium Coppor Lead Nickel Tin Zinc	-4,450 to 135,900 -3,600 to 112,800 +600 to 56,175 -1,278 to 5,250 -785 to 22,095 +900 to 30,500 (tonnes)
Š	Silver	-280,000 to 52,754,000

mary Aluminium Institute of a downturn in non-Communist world stocks in December. The institute said stocks of all forms of aluminium (primary and secondary) at the end of December fell to 4.391m tonnes against 4.425m tonnes at end-

November, but were still well up on the December 1983 figures of 3.669m tonnes. Primary metal stocks declined to 2.588m tonnes compared with

Aluminium prices rose to the 2.623m in November and bighest point for nearly 2 year, 2.024m in December 1983. A significant point was that North American stocks oppear to be, et A further boost was provided last, showing the effect of the by the befty cut in LME ware-house stocks and the announcement by the Internotional Primorths.

ing to U.S. Wheat Associates.

says Wheet Associates. But Argentina has agreed to supply Peru with \$20,000 tonnes of wheat at \$125 a tonne with a three-year credit et 10 per cent interest. This raises to 560,000 tonnes Peru's commitments to Argentina out of the 1m it is record \$18.9bn.

gressional financing.

In fiscal 1935, though lower and 325,000 in the way prices were expected to raise January 26. George tonnes of wheat contracted by the volume of overseas sales.

LONDON MARKETS

AFTER A quiet morning session coffee prices moved up sharply on the London futures market with the May

position ending £32 up on the day at £2,396 a toone.

were limited by expectations of follow through selling after

last week's decline from above £2,400 a tonne. When this

prices moved higher on mixed

trade and speculative bnying

On the sugar futures market values fell early on but rallied to end little

High Grde £ £ £

changed on the day.

COPPER

TIN

Weaker sterling led to the market being a shade firmer

### **Sharp drop** in London cocoa futures

By Richard Mooney COCOA PRICES fell sharply COCOA PRICES fell sharply on the London futures market yesterdey influenced by an easier tone on the New York market, receipt of deleyed Nigerian shipment declarations and modest new crop sales by the Ivory Coast.

The recent builish market sentiment was maintained in early deolings and the May quotation reeched £2,209 a tonne at one point. By the close, bowever, May cocoa had plunged to £2,173 a tonne, down

plunged to £2,173 a tonne, down £83.50 on the day, wiping ont last week's £42.50 edvance. Dealers said the New York

decline bad triggered beavy liquidation and stop-loss selling in London. Trading volume was high at 6,098 lots (10 tonnes

The steady early trend was encouroged by an Accra Radio report of the following of o plot dissidents to destabilise Ghana.

Ghana

JOHNSON MATTHEY
raised its base price for
rbodium to \$1,100 per troy
ounce from \$1,075 and that of irldium to \$600 from \$500. The market rescted by quoting market rescree by quoting rbodium in a new record high range of \$1,125 to \$1,140, up about \$10 from Friday, and iridium from \$635 to \$640, e rise of about \$60.

SRI LANKA has set o rubber production target of 140m kg for this year, up 500,000 kg from estimated production last

year.

NEPAL expects to sell about 50,000 tonnes of rice and 30,000 tonnes of wheat to India in the

year to July 15.

ISRAEL'S Cotton Production and Marketing Board estimates this year's crop will be 82,600 tonnes of Akala and 5,000 tonnes of Pima. Export contracts had been signed for 80 processors of the Akala and 31 per cent of the Akala and all the Pima. • U.S. ROASTINGS of green

coffee in the week ended February 2 were about \$55,000 (60 kg) bags, including that used for soluble production, compared with 365,000 in the corresponding week last year and \$25,000 in the week ended

# Rise in U.S. oil demand unlikely to last

BY WILLIAM HALL IN NEW YORK

	U.S. ENERGY	19 Per cent	1965 Per cent growth forecast		
Oil	31,2	3.8	31.6	0.9	
Natural gas	18,5	5.3	18.9	2.5	
Coal	17.2	8.4	17.6	3.2	
Other	7.6	+\$.5	7.7	1.3	
Total	74.5	\$.5	75.8	1.9	
	Source: American	Petroleum Institu	te and Oil and Ga	s Journal	

prices at e five-year low failed to lift gasoline consumption significantly last year — and high gasoline stocks have been a serious drag on product prices as a result.

Since March 1981 U.S. gasoline prices have fallen 25 per cent in real terms while real disposable income has risen 13 per cent In the pest this would beve raised gasoline demand by 10 per cent or more but now it is more than offset by increased engine efficiency.

Bankers Trust forecasts thet a 25 per cent rise in miles Motor gasoline still accounts for more than 40 per cent of travelled over the next 10 years will be more than offset by a for more than 40 per cent of U.S. consumption but was not responsible for poweriog last year's rise in overall U.S. eil demand. According to latest estimetes from the American Petroleum Institute (API), U.S. gasoline demand rose by just 1.2 per cent to 6.7m b/d last year. 40 per cent rise in mileage per gallon. The New York-based Petroleum Industry Research Foundation expects gasoline consumption to drop to 6.3m b/d by 1990. One big ares of oil consump-

tion which continued to decline was residual fuel oil usage. Average consumption fell 4.4 Record car sales, the move to bigger models and gasoline

per cent to 1.3m b/d. It has been falling for six years and is now less than half the level of the late 1970s.

Residual fuel oil's higgest competitor is coal, which con-

tinned to make big inroads in the energy market last year. API estimates consumption rose 8.4 per cent last year.

Unlike oil and natural gas, the contribution of which is running 14 per cent below its peak of the late 1970s. coal's share of the energy market has jumped from 17.5 per cent in 1978 to 23 per cent last year. Analysts do not expect energy consumption to resume the beady growth rates of the 1970s. Consumption peaked at

78.8 million billion BTU in 1978 and dropped to 70.7 million billion in 1983 before recovering to 74.6 million billion last year. In the same period economic activity has risen 16 per cent in terms of real gross national product.

BY RICHARD MOONEY

yesterday's weekly London auction, according to the official report from the Tee Brokers Association of London. Quality

This year energy consumption is expected to grow by less than 2 per cent. Within this, oil's share will continue to decline. In 1978 oil accounted for 48.6 per cent of energy consumption but by last year had dropped to 41.8 per cent and by 1990 will be below 40 per cent, says Herbert Krupp, Bankers Trust's senior energy economist. While U.S. reliance on oil

is been falling since the late has been failing since the late 1970s, domestic production has once again started to rise and the decline in U.S. oil reserves has been halted. Crude production rose by 1.4 per cent to an average 8.8m b/d last year, its highest level in more than a decade. Oil reserves have stabilised at instrumeer 28hm stabilised et just under 28bn barrels.

Reneath this rather comforts ing picture, however, the U.S. oil industry is campaigning bard to stop the country being lulled into a sense of false security. Mr Charles Dibona,

president, notes that by the end of last year the U.S. was relying on imports for about one-third of its oil supplies—the same level of dependence as before the 1973 oil embargo. He argues that in spite of the weakness of U.S. oil consumption, last year will prove to be e transitional year when the decline in consumption was

In epite of good demand.

Assam teas were generally sbout 10p e kilo cheaper than

# silver options plan backed

Chicago

OREIGI FUTT

THE PROPERTY OF THE PARTY OF TH

P.: .

226.74 2012:30

rafa: Collar bys Franci

ORO-CU

in term lings of the line mentile. In mentile in year ...

MONE

imerest
ine Frida
ine Frida
ine Frida
ine Frida
ine Frida
ine Frida
ine Hall
i

WASHINGTON — The staff of the Commodity Futures Trading Commission (CFTC) has urged approval of the Chicago Board of Trade as a market to trade options on silver futures.

options on silver futures.
In a report prepared for a commission vote today, they said many of the proposed terms governing CBT silver futures options trading were identical to those for options on CBT T-bond, soyabean and maize futures already approved by the commission. by the commission.

The silver option contract will give the holder the right

to buy or sell a CBT silver fetures contract for 1,000 troy ounces at a specified price by the option's expiry date. Trading will be for February, April June, August. October and December. and December.

Each newly-listed option contract will begin trading with seven strike prices, comprising the nearest strike price to the previous day's silver futures settlement price and the next three higher and lower increments.
Strike prices will be 25 cents

Strike prices will be 25 cents per troy ounce for prices below \$8 and 50 cents per troy cunce for prices at or above \$8.

The CBT proposes to set speculative limits on outright positions of 7,500 contracts for long puts (buys), long calls (sells), short puts and short calls, plus an additional 7,500 contracts for conversions and reverse conversions.

The CBT is to set exemptions

The CBT is to set exemptions for "economically appropriate hedging positions," conversions, reverse conversions and for some one-to-one spreads be-tween options and futures. A reporting requirement of 100 contracts will apply to all puts and calls, either long or short. Option prices will be quoted

in multiples of one cent per troy ounce of silver in the underlying futures contract.
The CBT sald it would start trading silver futures options on March 29, pending CFTC approval. The new non-agricultural options contract will be the second proposed by the exchange under the CFTC's ember next, a similar quantity expanded options pilot to that of last season. Renfer

LIVE CATTLE 40,000 (by, conti/1)

### U.S. grain sales squeezed

U.S. WHEAT, now more expen- China from the U.S. (under a sive because of the strong long-term grain agreement that doller, is heing squeezed out of the Chinese failed to keep), its traditional markets, accord20,000 tonnes remains to be 20,000 tonnes remains to be shipped. The Chinese heve now Argentina narrowly falled to sell wheat to the U.S. 6s a result of pressure by U.S. farmers on Cargill, the would-be importer. favour of EEC supplies. This is now the world's cheapest wheat,

Mr John Block, the U.S. Agriculture Secretary, last week told the Congressional Joint Ecocomic Committee that the strong dollar was expected to increase U.S. food imports to a

expected to import.

In the past, says Wheat
Associates, Peru was supplied entirely by the U.S. with confrom \$38hn last year to \$36.5m

### Oxfam analysis criticised

OXFAM PUBLICITY on causes of world bunger is severly criticised in a report issued today by the Economist Intel-ligence Unit, writes Richard

AFTER FIVE years' decline U.S. oil consumption rose again last year but many believe the

3.5 per cent growth will be recorded in history as the highest rise of the decade.

Since the U.S. accounts for about a third of free-world oil consumption any change in its specific quickly sends ripples through internetional oil markets. Last year's 540,000-barrels-a-day rise in average daily consumption to 15 8m h/d.

daily consumption to 15.8m b/d accounted for about two-thirds of the rise in world oil demand.

The most buoyant actor was jet-fuel consumption, which rose 13 per cent to 1.2m b/d even though the number of miles flown rose only 10 per cent. However, when the second to the second

ever the rise is not expected to be repeated this year.

b/d. About two-thirds of the increased consumption reflected

higher demand for diesel fuel for transport, a direct result of

the economic upturn.

Distillate fuel oll demand rose for the second year running, by a bealthy 6.8 per cent to 2.9m

It says Oxfam is spending a great deal of money to publicise a faulty diagnosis of the causes of bunger and to drum np campaigning support behind policies derived from it.

people feel guilty but distracts attention from some major obstacles to decent standards of In a 10-page introductory article to its regular commodity outlook report the EIU syste-

Oxfam campaign publicity on population, birth control, interest charges on Third World debt, the morality of Third World food exports, land tenure and overproduction of food in developed countries.

The EIU finds oversimplistic

Orian's claim that land that should be feeding their own people is producing food for The report says this lopsided European and North American eccount may succeed in making consumers to earn foreign people feel guilty but distracts exchange to discharge avaricious debt-service obligations. The report says the key to the solu-tion lies in just systems of land World Commodity Outlook 1985: Food. Foodstuffs and Beverages; Economist Publica-tions, 40 Duke Street, London WIM 5DG; £45,

Tea prices fall further

TEA PRICES fell further at packages including 11,600 in the yesterday's weekly London offshore section.

tea was down 6p at 310p a kilo; et last week's sale, Bangladesb medium grade fell 9p to 275p; teas were a weak feature, the and low medium 13p to 235p. report said, with prices 15p to The offering totalled 39,537 20p e kilo down.

India a net importer of sugar

INDIA, which started exporting in Calcutta.

sugar a coople of years ago to According relieve itself of a burdenson surplus, has become a net importer again due to falling out-put in the past year and the prospect of smaller production this year, writes P. C. Mahanti to that of last season:

According reports from Delhi, India may again import 500,000 tonnes in this sugar season ending Sept-

#### U.S. MARKETS

HEATING OIL moved higher

Heinold Commodities. Strong tures blanketed Central and

Indications that the deliveries

INDICES MAIN PRICE CHANGES FINANCIAL TIMES Feb. 8 Feb. 7M'th agoly ear ago Fab. 11 + or Month

SEEDS 

ALUMINIUM

1014-5 +22 1020-5 +25.5 104-8.6 +24 1055-5 +28 NICKEL

High Grde Tin-Moming: Standord: Csuh £9,965, 80, three months £9,950, 56. High Gredo: Csuh £9,965. Kerb: Three months £9,945, 50. Afternoon: Standerd: Cash £9,946, 30, three months £9,975, 76, 85, 50. High Orede: Three months £9,975, 80. Tymoyer: 1,495 tonnes.

Lead—Morning: Cseh £342, 41.5, 41, three months £347, 46.5, 48, Kerb: Three months £345.8, 48, 47, 46.5. Attemonth £348.5, 47, 47.5, 48, 47.5, 48, 46.5. Kerb: Three months £348, 47. Tumovor: 18,450 tonnes. U.S. Spot: 19-20 cents s pound.

ZINC-2 £ £ £ 757.5 +11 769.71 770.1 +14.7 722.5 757.5 +11 — Zinc.—High Gmds Official/Unofficial prices: Cash em £795-796, pm £795-800. Three months em £800-805, om £800-

a.m. + or p.m. + or Official - Unofficial -t Alumn 'm

Nicket—Morning: Cash £4,510, £4,570, three months £4,630, 15, 5, £4,595, 90, Korb: Three months £4,620, 10, 15, 500, 4,595, 4,600, Kerb: Three months £4,620, 10, 15, 500, 4,595, 4,600, Kerb: Three menths £4,600, 10, 15, 20, Turnover: 1,692

Gold roso \$\frac{1}{2}\$, to \$289\frac{1}{2}\$-300\frac{1}{2}\$, on the Landon buillon morket yesterday. It opened of \$300-300\frac{1}{2}\$, the highest level of the day, and was fixed at \$300 in his morning and \$300.15 in the efternoon. The most touched a low of

GOLD AND PLATINUM COINS

Krig' r'nd. \$3091<sub>4</sub>-3101<sub>4</sub> (£282-988; 12145-1453<sub>4</sub>); Krug. \$1681<sub>4</sub>-160 (£145-1453<sub>4</sub>); Krug. \$5181<sub>4</sub>-32 (£301<sub>4</sub>-51); Krug. \$5381<sub>4</sub>-32 (£301<sub>4</sub>-51); Krug. \$5381<sub>4</sub>-32 (£434<sub>4</sub>-651<sub>4</sub>); Krug. \$671-73 (£634<sub>4</sub>-651<sub>4</sub>); Krug. \$671<sub>2</sub>-73 (£383<sub>4</sub>-391<sub>3</sub>); Krug. \$671<sub>2</sub>-73 (£383<sub>4</sub>-73 (£383<sub></sub> Yest'deys + or Business close - Done

a per troy ounce

303,00

t Unquoted. w March. x April, u b-March. v March-April. † Per 75-lb sk. n Nommol, c Conta a pound.

Silver was fixed 0.5p an ounce higher for spot dolivery in the London buillion merket yesterday at 550p. U.S. cent equivalons; of the fixing levels wern: epot 60Sc, down 6.5c three-month 620.5c, down 5.8c; siz-month 635.65c, down 6.4c; and 12-month 666.95c, down 7.25c. Tho metsi opened at 549-552p (608-611c) and closed at 549-552p (608-611c). Buillon + or L.M.E. + p.m. Unoffic'il per

LME—(2,000 az contract): cesh 555.50 (545.50); three months 573.25p (563.25p). Tumover: 0 (0)
Tumover: 35 (44) lost of 10,000 cz.
Morning: lerge 2nd ring three months 563. Attarneon: lorge 1er ring three months 571.5, 72, 73.
Korb: lerge three months 571.5, 72, 73.

Although fully steedy during the morning lutures sased sharply prior to the close, reports Cill and Oullus.

Seles: 6,098 (3,596) lots of 10 tennes. ICCO indicator prices (U.S. cents por pound!. Oelly orice for February & 107.79 (107.08); five-day average for February 11: 107.81 (107.54),

COFFEE Following s lower New York close London opened unchanged to elightly essier. Moorts Orexel Sumham Lambert. A decilins in starting premoted e recovery and, desoits continued weskness in New Tork, prices railled in the condidons.

Sales: 2,083 (2,773) lots of 5 tunnes. ICO indicator prices (U.S. cants our pound) for Fabruary 8: Comp. daily 1979 134.54 (138.09): 15-day average 136.92 (137.07).

800.62 890.18 893.31 203.28 Feb. 11 Feb. 8 M'th ago Year ago 0010.48080,0 1956,5 1963.0

MOODY'S Dec. 87 Dec. 19 With ago Year ago 966.9 066.4 — — — — (Base: December 31 1931 = 190) DOW JONES

Jones 8 7 ago ago 5pot 101.46 121.51 101.13 157.68 Fut, 125.01 105.00 124.73 141.28 (Bess: December 31 1874 ~ 100)

**GRAINS** 

Old crops reached the highs early in the day on concern over-wintry weather but met trade selling to fall back and close at the day's lows. New crops ceme goder heavy hedge selling and closed at contract lows, imports WHEAT

Business done—Wheet: March 112.25-1.35, May 116.50-5.25, July 116.50-7.90, Sept 96.25-8.00, Nov 89.50-9.30, Jen 103.25-2.60, Seles: 198 lots of 10 Otonnes. Barley: Mar 112.85-2.60, May 115.50 only. Sept 67.00-6.45, Nov and Jen unwaded, Sales: 27 lots of 100 tonnes.

Rest unquored.

HGCA—Locational ex-farm spot.

prices. Feed Barley: E. Mids 111.80,
Scatland 111.75, The UK monetary
coefficient for the wask beginning
Menday Rebrusry 18 (besed on HGCA
calculations using 4 days exchange
rates) is expected to missin unchanged.

**PIGMEAT** Prices milled sharply as short-covering encouraged Iresh buying. reports CCST Commodities. SUGAR

Yesterdays Previous Business close close done April ... | 110.30 | 105.60 | 111.46-105.80 | 105.60 | 111.46-105.80 | 105.10 | 108.70-105.00 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 | 105.10 Salos: 186 (74) lots of 50 carcases, 3,250 kg. POTATOES

Short-covering due to cold weather raised levels by £2.00 but values eared slightly off the higher and troded quietly themotiar, reports Colzy and Harper. £ per tonne 42,50 43,80 50,50 48,00 51,50 50,40 71,50 71,80 79,80 80,10

Brent firmed 50c, buoyed in the morning by firm gas oil and supported fate? By strong figures trude which traded 370 op by 1 pm [EST, The petroleum products market was Jirm. Cae oil continued to stronginos as degrand was Jurcher expended by cold waster while supply remained poor. Lack of supplies Iron the Black See Leck of supplies from the Slack Sea and Caribbean has combined with heavy healing domand in the UK, Scandinavia and Continent to firm prices by at less; \$1—Petroleum Argus, London. SPOT PRICES

CRUGE OIL-FOR (8 per barrel)

Arab Light PRODUCTS North West Europe 

All Merch prices Petroleum Argue Estimates J & U.S. Turnover: 3,562 (2,634) lots of 100 tonnes.

RUBBER opened slighdy steader, extracted sodys buying misrest throughout the day and closed steady, reports Lewis and Pest. Closing prices (buyern): 65.00p (seame): Merch 70.25p (76.00p); April 77.00p (76.75p). The Kuste Lumpur Feb lob price for R5S Ho. 1 was 195.75 (185.0) cants e kg and for 6MR 20 was 198.5 (185.0).

SOYABEAN MEAL The market opened unchanged to £1-higher is quite conditions, reports T. G. Roddick. Heavy selling pressure occurred during the sitemacon. 

Seles: 132 (223) lots of 20 tones.

May

\$2.00. Some scattered sell-ex-been order style opening were scon absorbed and prices gained \$2 over the morning but New York mittelly felled to provide any incentive for prices to rise any further, raports C. Czernikow.

8: Dally price 3.61 everage 2.76 (3.76).

on the US crude oil February contract may not be adequate Grains and soyabeans were under pressure on steady A late rally based on shortcovering in precious metals still left soyabeans moderately to sharply lower, while maize finished slightly lower and wheat was steady on the on late, local short-covering as values falled to follow through lower despite the firm dollar. Copper railied on renewed concern aver the drawing room in exchange also gained on LME stock **NEW YORK** ALUMINIUM 40,000 lb, cents/lb 91.85 49.85 50.35 50.80 81.60 52.40 53.90 54.00 54.80 85.80 50.50 51.80 51.70 52.60 53.30 54.50 54.60 56.70 56.50 COCOA 10 tonnes, \$/tonnes Close 2154 2222 2217 2189 2042 2040 2060 COFFEE "C" 37,000 lb, cents/lb

Close 145.79 744.51 142.90 141.25 140.18 138.88 137.77 138.00 COPPER 25,000 lb, cents/lb 60.95 81.30 61.70 62.70 63.25 64.10 64.35 64.85 65.38 61.30 62.05 62.80 63.50 54.30 63.65 63.65 64.30 65.10 **55.20** 65.70 COTTON 50,000 lb, conts/fb High 65.80 56.70 67.56 67.55 67.55

GOLD 100 troy oz, \$/troy. oz 53.06 53.82 52.97 48.65 48.75 48.70 46.40 MAIZE 5,000 bu min, cente/56 to bushel High 271.6 278.4 281.4 276.2 269.5 278.0 263.4 HEATING OIL 42,000 U.S. cents/U.S. gallone Letest High 74.95 71.45 71.76 70.05 70.30 89.35 69.40 89.40 70.00 71.00 PORK BELLIES 38,000 Rbs, cents/fb. Close 86.65 68.77 69.06 69.30 67.30 65.25 63,75 71.00 ORANGE JUICE 15,000 fb. cents/lb SOYABEAN MEAL 100 tons, \$/ton 279.0 271.0 285.0 278.0 280.0 286.0 161.0 , 160.0 153.5 162.5 166.0 164.5 151.5 163.8 Prev 513.2 815.5 618.8 624.2 633.5 643.6 660.0 665.8 678.8 660.9 77.51 26.73 26.10 26.10 27.85 25.10 24.20 23.20 SUGAR WORLD "11" SPOT PRICES—Chicago loose lard 24.00 (orms) cents per pound. Haw York tin 498.0-515.0 (502.0-520.0) cents 6.08

#### OTHER MARKETS

**WOOL FUTURES** LONDON NEW ZEALAND CROSS-BREDS—Close (in order: buyer, relier, buyiness). Now Zealand cents per kg. Mar 511, 514, nit; May 523, 524, 525, Aug 643, 644, 544-543; Oct 642, 546, 546; Oec 643, 547, nit; Jan 648, 648, nit; Mar 552, 558, 555; May 554, 660, nit; Aug 568, 570, 570, Seles: 8, SYDNEY IREASY WOOL—Close (In order: buyer, seller, business). Australian cents per kg. Mer 584.0, 585.5, 585.0; Moy 585.0, 583.0, untraded: Jly 597.0, 589.9, u/t: Oct 585.0, 583.0, u/t: Mer 595.0, 905.0, u/t; Mey 600.0, 683.0, u/t: Jly 609.0, 612.0, u/t. Seles; 5,

COTTON LIVERPOOL—Spot and shipment as amounted to 135 tonnes. Fair offer occurred with mnawed mide Eastern qualities. Occasion support came in Aircan growths.

SUGAR—(FFr per tonne): Mar 1369/ 1369, May 1385/1386, Aug 1470/1485, Oct 1638/1650, Oct 1615/1635, Mar 1720/1730.

WHEAT—(U.S. & per tonno) U.S. No. 2 Soft Red Winter Merch 165. April 198, May 199, July 197, U.S. No. 2 Northern Spring, 14-per cent protein: Feb 154, Merch 183, April/May 169, Juno 170, July 179, U.S. Northern Spring, 15 per cent protein: April/May 186, U.S. No. 3 Hard Amber Durum April/May 184, June 189, Sept. 183, Canadian No. 1 Western, Amber Ourum April/May 194, May/Jaine 196, Sept. 195. April/May 184, June 184, Sept 184, Sept 184, Cancellen No. 1 Western Amber Ourust-April/May 194, May/June 196, Sept 196, MAIZE—(U.S. 3 per tenne): U.S. No. 3 Tellow: Aflost 142, Feb 136, March 133, 50, April/June 133, July/Sept 184, Oellers. Argentine, Piete: March 130, April 130, May 130, sellers.

. IT LOP

# CURRENCIES; MONEY and CAPITAL MARKETS

#### FOREIGN EXCHANGES

# Further records for dollar

The meeting of central bankers in Basio yestorday generated a little early nervousness on the foreign exchanges, but New York doalors were far less reticent than their European counterparts, and as London closed the U.S. currency was sdvancing unchecked to new records. The market appears to believe there is little the central banks can do to stem the dollar's rise, on the back of high U.S. interest rates to fund the Budget deficit, coupled with strong economic growth, but relatively low inflation.

This dollar broke through

ebroary 12 th

 $\mathbf{hicag}_0$ 

lver

low inflation.

The dollar broke through FFF 10.00 against the French franc soon after the London close and was also around the DM 3.28 level.

Further commercial demand and speculative buying pushed the dollar up to a 13-year peak of DM 3.2750 from DM 3.2575; to an 11-year high of SwFr 2.7940 from SwFr 2.7750; to a two-year peak of Y261.60 from Y260.65; and to a record FFr 9.98 from FFF 9.94.

On Bank of England figures

On Bank of England figures the dollar's index rose to a record 150.3 from 149.3.

STERLING .... Trading range against the dollar in 1984-85 is 1.4940 to 1.0965. January average 1.1274. Exchange rate index 71.1, the lowest level of the day, a fall

2008 Close C

4.05-4.08 71.59-72.25 7 12.79-12.924 1.1520-1.1560 0.581-3.601 197.00-2041 197.40-198.58 2.195-2.2131 10.281-10.331 10.908-10.988

OTHER CURRENCIES

Feb 11

from Friday's London close, and also below Friday's New York finish, when selling out of the Chicago futures market put renewed pressure on the pound. Stsrling touched an all time low of \$1.0925-1.0945, with more stable oil prices and the present high level of London interest rates unable to prevent o further slide. U.S. dealers apparently folt that the pound was too high

in comparison with other major currencies, after their fall against the dollar last week, but yesterday it came into line, falling to DM 3.5025 from DM 3.6150; FFr 10.94 from FFr 11.04; SWFr 3.0680 from SWFr 3.08 and Y286.75 from Y289.50.

D-MARK — Trading range against the dollar in 1984.83 is 3.2750 to 2.5535. January average 3.1698. Exchange rate index 119.2 against 123.4 six months age.

in comparison with other major

The D-mark fell to another 13- STERLING EXCHANGE RATE The D-mark rell to another 13-year low against the dollar, with the U.S. currency closing in Frankfurt at DM 3.2660. com-pared with DM 3.2440 on Friday. It touched s peak of DM 3.2715, after being fixed at DM 3.2573 compared with DM 3.2426 at the

EMS EUROPEAN CURRENCY UNIT RATES Beiglan Franc ....
Deniah Krono ....
Oarman D-Mark
French Franc ....
Outch Oulldor ....
Irish Pure .....
Italian Lite ..... 44,4591 7,95611 2,22897 8,79647 2,52064 0,715968 1368,87 --0.54 --2.27 --0.86 --1.14 --0.21 --1.34 --2,47 +0.22 --1.51 +0.10 --0.38 +0.55 8.14104 2.26184 6.87456 0.52595 0.72569 1403.49 --0,58 --2.31 Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

DOLLAR SPOT-FORWARD AGAINST DOLLAR 0.52-0.48c pm 0.50-0.49c pm 0.12-0.15c dp 0.55-0.55 pm 12-13c die 1-11-pm dis 0.66-0.51pf pm 250-550 die 51-50c die 52-2-2-ore dis 1.50-1.600 dis 4-9-0.000 dis 4-9-0.000 dis 4-9-0.000 dis 0.51-0.47y pm 4-3-ypp pm

POUND SPOT-FORWARD AGAINST POUND 1.0935-1.1095 1.0980-1.0970 0.3484-0.8570 0.3495-0.8505 1.3366-1.3394 1.3365-1.3395 1.3395-1.3395 2.7105 8.7105 65.10-65.65 65.65-65 11.60-11.691-1.1691-1.1671-11. † UK end Ireland are quoted in U.2. currency. For discounts apply to the U.S. deliar and not to the Balgian rate is for convertible france, Financial

Belgian rate is fer convertible france. Financial franc 72.25-72.35 Sis-menth forward dollar 2.00-1.90c pm. 12-month 2.66-2-450 pm.

**Note Rates** 

25.16-26.40 72.00-70.90 12.77-12.90 10.95-11.05 5.58-5.01 2195-2230 268-891 4.05-4.09 10.21-10.38 195-210 195-210

**CURRENCY MOVEMENTS** 

(base average 1975 = 100).

**CURRENCY RATES** Bank Special Earop' rete Drawing Curren Rights Unit 44,6591 7,95611 2,82697 2,52644 6,79647 1366,87 176,886 5,09853 122,904 6,30827 1,90356 90,5489

p.a. months

0.47 1.30-1.25pm
0.65 1.20-1.10pm
-1.21 0.37-0.42dis
1.78 1.93-1.85pm
-2.30 34-38dis
-1.29 4-9-idis
2.34 2.15-2.10pm
-28.37 650-1450da
-0.70 155-170dis
-5.24 274-22dis
-3.21 63-7-140is
-1.87 4.50-4.80dis
-5.52 113-124dis
-2.51 145-1.42pm
1.96 132-113-pm
1.96 132-113-pm
1.96 132-113-pm

\*CS/SDR rate for February 7: 1,29268.

EXCHANGE CROSS RATES ....

- Feb. 11.	Pound Stirling	U.S. Dollar	Deutschem	C. Denese Yen	FrenchFranc	Swiss France	Dutch Duild	talian Lira	Canada Dolla	Bolgian Franc		
Pound Sterling U.S. Dollar	0.212	1.007	3,593 0,273	\$85.8 261.6	10.94 0.990	3.060 2.794	4,068 0.710	2205. 2011.	1,477 1,337	71,90 65,50		
Deutschem rk Japaness Yon 1,000	0.278 3.487	0.305 5,824	1. 12,55	78,52 1000,	3.045 36,10	0.868 10.02	1.138 14,16	013.0 7688,	0.408 5,114	20.01 250.7		
French Franc 10 Swiss Franc	0.814 0.068	1,009 0,358	3,284 1,178	262.1 93,56	0.569	6.802 1.	6.716 1.327	2010. 719.2	1,340 0,478	55.78 23.46		
Datch Callder Italian Lira 1,000	0,246 0.454	0,270 0,497	0,886 1,630	70,50 130,1	2,690 4,963	0.754 1,390	1,845	548.0 1000.	0,561 0,860	17.68 32.62		
Canadian Dollar Belgian Franc 100	0.612 1.321	0.748 1.525	2.450 4.027	195.3 398.8	7,460 10,22	0.090 4,200	0.774	1503 3066	2.040	40,03 100,		

EURO-CURRENCY INTEREST RATES (Market closing rates)

Feb. 11	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	italian Ura	Conv.	n Franc Fin,	Yen	Denish Krono
Short tere	144-1456 144-1456 18/8-15/8 104-15/8	61 64 61 64 84 64 84 84 94 94 94 104	2 21a 51a 21a 234 9/8 101a 10/8 101a 10/8 10/8-11	618 618 618 618 618 618 618 718 718 718	. 178 8 8 814 036 512 574 514 012 515 034 578	07g-8 6-61g 6-63g 6-4-65g 01g-65g 6-11-618	101g-105g 101g-105g 101g-105g 101g-111g 101g-111g 111g-111g 111g-111g	14-18 1854-1458 1878-1458 1414-1454 1478-15 1618-1018	104-103 104-104 104-11 101-11 101-11 11-112	1014-1034 1014-1034 1056-1076 1034-11 1034-11 1078-111a	6/1 614 6/1 614 6/1 65 6/1 65 6/1 612 6/1 612	218 558 938 1014 958 1019 1014 1034 1012 11 1008 1114

Asian \$ (closing rates in Singapore): Shert-term 82-85 per cent; over days 85-85 per cent; one reenth 822-832 per cent; three is racetths 952-852 per cent; one year 10-105 per cent. Long-term Eurodollars: two years 105-11 per cent; three years 11-115 per cent nominal. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

#### MONEY MARKETS

# London rates up on weak pound

Interest rates rose sharply from Friday's levels in the London money market yesterday in reaction to sterling's fall to below \$1.10. The rise in rates meant that three-month interbank money was now more in line with the current base vate of 14 per cent, having risen to finish at 13\frac{1}{4} per cent to finish at 13\frac{1}{4} per cent to 13\frac{1}{4} per cent to the bid side, up from 12\frac{1}{4}\frac{1}{4} per cent on the bid side, up from 12\frac{1}{4}\frac{1}{4}\frac{1}{4} per cent on band 4 bills. Overnight companies in the three-month interbank money was now more in the morning of £180m, comprising purchase ogreements on £7m of bills at 13\frac{1}{4} per cent on the bid side, up from 12\frac{1}{4}\frac{1}{4}\frac{1}{4}\text{per cent on the bid side, up from 12\frac{1}{4}\frac{1}{4}\text{per cent on band 4 bills. Overnight cent of band 4 bills. Overnight interbank money traded between 14\frac{1}{4}\text{per cent and 10}

Interest rates rose sharply from friday's levels in the band 2 (15-33 days) at 13\frac{1}{4}\text{per cent. It in band 3 it bought £11m of cent 13\frac{1}{4}\text{per cent.} In band 3 it bought £11m of bills at 13\frac{1}{4}\text{per cent.} In band 3 it bought £11m of bills at 13\frac{1}{4}\text{per cent.} In band 3 it bought £11m of bills at 13\frac{1}{4}\text{per cent.} In band 3 it bought £11m of bills at 13\frac{1}{4}\text{per cent.} In band 2 (15-33 days) at 13\frac{1}{4}\text{per cent.} It load 3 it bought £11m of bills at 13\frac{1}{4}\text{per cent.} In band 2 (15-33 days) at 13\frac{1}{4}\text{per cent.} It load 3 it bought £11m of bills at 13\frac{1}{4}\text{per cent.} In band 2 (15-33 days) at 13\frac{1}{4}\text{per cent.} It load 3 it bought £11m of bills at 13\frac{1}{4}\text{per cent.} In band 2 (15-33 days) at 13\frac{1}{4}\text{per cent.} It load 3 it bought £11m of bills at 13\frac{1}{4}\text{per cent.} In band 2 (15-33 days) at 13\frac{1}{4}\text{per cent.} It load 2 (15-33 days) at 13\frac{1}{4}\text{per cent.} It load 2 (15-33 days) at 13\frac{1}{4}\text{per cent.} I

UK clearing banks base lending rate 14 per cent since January 28

per cent before finishing at 14 per cent.
The Bank of England forecast
2 shortage of around £350m with
factors affecting the market
including maturing assistance
and a take up of Treasury bills
togother draining £419m and the unwinding of previous sale and repurchase agreements a further £275m. In addition banks brought

FT LONDON INTERBANK FIXING

(11.00 a.m. February 11) 3 months U.O. dollars O months U.S. dollars PIG 86/18.

The fixing rates are the arithmetic reasns, rounded to the nearest enesixteenth, of the bid and offered rates for Siom quoted by the racrket to give reference banks at 11 em each working day. The banks are National Westmater. Benk, Bank of Tokyo, Doutsche Bank, Sanque Nationale de Perie and Morgan Guarenty Trust.

1879-1014 10.75 1436-1458 1856-1016 1058-1078 1456-16 1654-1016 1058-1078 1458-1478 1654-1016 1054-11 1456-1478 1054-11 1458-1478 534

**2.18** 0.27

99% 99% 99% 10117<sub>22</sub>

Discount Houses Deposit and Bill Rates LONDON MONEY RATES 141g-141q 141q 14 14 135e 16 H 1359-1016 1356 13-1 1038-1316-1316-1356 1214-1216-1216-13-16

inc reenths	124-10	121g-101g 121g-120 103g-125g	104	<u> </u>	<u> </u>	<u> </u>	
	Local Auth. negotiable bonds	Local Authority Deposits	Finance Hosse Doposits	# Dert of Deposits	SDR Linked Deposits	EOU Linked Deposits	MONEY RATES NEW YORK (Lunch
One month Twe months Three months Sk months Nine months Two years Two years Four years Four years Five years	14-1414 1354-1414 13-1338 1254-10 1212-1258	117g 117g 1178 1184 1184		8.55.8.65 8.65-8.70 B.7-8.8 9.0-9.1 0.6-9.0 9.7-2.2		101-104- 101-104- 101-104- 101-104- 101-106- 101-101-	Prime rate Stoker lone rate Fed fands Fed funds at interventi Treasury Bills Dne month Two month Three reenth
ECGD Fixe January 2 to 1 and finence ho Houses Bass Ri from February	News Resul	65 (Inclush days' not ed by the F	va); 11.84 kee. olkes Ananca Ho	O PAY CUI E SEVAR ( DUADE ASEC	it. Local days' fixed icletion): 10	aumonues Finance Der Cent	One year

from February 1 1985. London and Scettish Clearing Sank Rates for lending 14 per cent. London Deposit Rates for sums at seven days' notice 11-11½ per cent. Treasury Bills: Average tender rates of dissount 12-3781 per cent. Certificates of Ias Deposit (Series 0): Seles temporarily suspended. Rates prior to suspension were: Deposit £100,000 and over held under one racent 1½, per cent one three reomths 14 per cent: three-sis reomths 13½ per cent: six-nine menths 13½ per cent: six-nine menths 13½ per cent: nine-12 racents 13½ per cent. Under £100,000 12½ per pent from January 30. Deposits held under Sanies 8 10 per cent. The rate for ell deposits withdrawn for cesh 8 per cent. Five year .....

# Sharp fall

FINANCIAL FUTURES

was no sign of intervention by the Bundesbank on the open market, but the German central bank sold \$11.65m at the fixing. Sterling based contracts fell sharply in the London International Financial Futures Exchange yesterday as the pound fell to a record low against the dollar. Prices opened lower but resisted downward pressure in rather thin trading during the morning. However the dollar's continued strength in the afternoon prompted heavy liquidation, with the vanishing prospect of an early cut in base rates adding to the gloom. A little profit taking helped values finish just above the day's lows.

A small rise in the UK prodestre to finish up on the day. bank sold \$11.65m st the fixing. The dollar's advance also pot pressure on the D-mark in Paris, where the Bank of France was believed to be supporting the German currency at around FFr 3.0515. This was the lowest level for the D-mark against the franc for over two years. Sterling was generally weak-bowever, losing ground to the D-mark when it was fixed at DM 3.5980 compared with DM 3.6230 op Friday.

71.5 71.4 71.4 71.4 71.4 71.5 71.5 9.00 am ..... 10.00 am ..... 11.00 am ..... 72.0 72.2 72.1 72.0 72.0 72.0 72.0 71.8 LONDON THREE MONTH EURODOLLAR Stra points of 100% Noon ...... 1.00 pm ..... 2.09 pm ..... 3.90 pm ..... 4.00 pm ..... 71.3 71.1 THREE-MONTH STERLING £ in New York February 11 Prev. close £ Spot 51,8680-1,0848 51,7849-1,1059 1 month 0,48-0,44pm 0,48-0,449 0,48-0,44pm 1,12-1,05pm 1,04-1,00pm 12 reonths 2,00-1,80pm 1,80-1,70pm

previous Frankfurt fixing. There

INDEX (Bank of England)

Feb 11 Previous

Close High Low Prevalence St. 26 St. 28 St. 28 St. 28 St. 28 St. 25 St. 28 St. 27 St. 28 St. 28 St. 27 St. 28 St. 28 St. 28 St. 28 St. 28 St. 27 St. 28 St. 20-YEAR 12% NOTIONAL GILT E50,000 32nds of 100% E50,000 32nds of 100%

Close High Low Prev
March 103-12 103-31 103-05 104-15
June 103-12 103-23 103-03 104-12
Sept 108-31 — 107-30
Dec 108-22 — 107-30
March 106-11 — 107-30
Estimated volume 3,321 (2,802)
Previous day's open int 5,472 (5,727)
Basis quote /clean each price of 132-%
Treasury 2003 less equivalent price of ner futures contract) —8 to 0 (32nds)
STERLING E25,000 5 per £ Class High Low Pray
March 1,0905 1,1000 1,0900 1,1083
June 1,0805 1,0930 1,0806 1,1013
Sept 1,0745 1,0852 1,0745 1,0800
Estimated volume 422 (282)
Previous day's open int 6,343 (6,158)

SWISS FRANKS SWFr 125,000 \$ per SwFr March Case High Low
March Case High Low
June 0.3622 — 0.
Estimated volume nil (nil)
Previous day's open int 111 (111) Low Prev — 0.3621 — 0.3653 JAPANESE YEN Y12.5m \$ per Y100 March 0.3612 0.3836 0.3832 0.3836 June 0.3658 - 0.3676 0.3876 0.3876 Provious day'e open int 114 (114) 

A small rise in the UK pro-deer price index created further market, to finish up on the day. U.S. TREASURY BONDS

Close High Low Pro-March 72-06 72-17 72-05 71-1 June 7-05 72-17 72-05 71-1 Satimated volume 779 (2,514) Previous day's open int 2,730 (2,147) CHICAGO U.S. TREASURY BONDS (CBT) 8% \$100.000 32nds of 100%

U.S. TREASURY GILLS (FMM) Sim points al 100% 89.30 CERT DEPOSIT (IMM) Stra points of 100% THREE-MONTH EURODOLLAR (IMM) STm points of 100% Section 20 STERLING (IMM) 5s por £ GNMA (CBT) 8% \$100,000 32nds of 100%

91.08 90.48 1.0870 1.0870 1.0825 1.0805 Savings Eow 89-14 88-25 Prev 69-13 68-24 58-04 67-18





offer fixed terms from 7 days upwards. Alternatively, call your local HFC Trust & Savings branch. We've 185 nationwide.

# **WORLD VALUE OF THE POUND**

The table below gives the latest available rate of exchange for the pound against various currencies on February 11, 1985. In some cases rate is nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Abbreviations: (A) approximate rate, no direct quotation available; (F) free rate; (F) based on U.S. dollar partities and going sterling-dollar rates; (T) tourist rate; (Bas) basic rate; (bg) buying rate; (Bk) bankers' rates; (cm) commercial rate; (ch) convertible rate; (fn) financial rate; (exC) exchange certificate rate; (nc) non commercial rate; (nom) nominal; (o) official rate; (gg) selling rate; (c) controlled rate; (u) unified rate.

COUNTRY	CURRENCY	VALUE OF ETERLIND	COUNTRY	GURRENCY	VALUO DF £ STERLING	COUNTRY	GURRENCY	VALUE OF & STERLING
Afghanistan	. Afghani	99.00	Greenland	Danish Kroner	12.7950 2.96	PeruPhilippines	Sol Philippine Pers	exe(A)7,388,95 18.05
A/Q6/18	. OIDSF Herester were the	(A) 3.71	Guadaloupe	Local Franc	10.94 1.0065	Pitcairn Islands	£ Sterling	
Andorre	French Franc Spanish Poseta	187.65	Guatemale	U.S. 8 Quetzai	1.0965	,	New Zealand 5	2.4140
Angola	Kwanza.	(CM) 55.5055 2,98	Orenada	Syll	20.10 20.90	Poland	Zioty	135.67
Argentina		256,4851	Ouyana	Guyanese Ş	4,6470	Portugal Puerto Rico	Portuga ese Escude	200.0
Australia	Australian S	1,4510	Halti	Gourde	0,4820			1.0965
Austria	Schilling Portuga se Escudo Ba. Dollar	25.10 200,0	Hong Kong	Lempira	2,2080 8,5590	Qatar	-Qatari Ryai	3.0720
Sahamas	Ba. Dollar	1.0900				Reunion Island	French Franc	10.94
Bahrain Balearic Isles	Dinar	0,4120 197,65 28,25	Hangary	Forint	37,89805	Romania		(Cra) 0.18
Bangladesh Barbados	Taka	28,25	lceland	I. Krona	45.9965			(N/C) 14,50
Barbados	Barbados 5	S 1530	India	Ind. Rupee	14.15	Rwanda		117.71
Beiglara		(om) 71.90 (fre) 72,30	indiaindonesia	Rial	14,15 1,200,00 105,90(sg)	St. Christopher	E Caribbean 0	6,98
Belize	CEA Forms				0.3435	St. Helona St. Lucis St. Pierre St. Vincent	E. Caribbean	1.0 2.98
Belize Benin Bermuda Bhutan	Bda 8	547.0 1,0965 14.10	Irish Republie	Irish C	1.1530	St. Pierre	Local Franc	10.94 0.98
Bhutan	Indian Rupes		terael	Ohekei	775.0 2,204,50	Samoa American	U.S. S	1.0965
Bolivia	BOUVEN POSO	(u)49,342.0g	Iraq	C.F.A. Franc	547.0	Samoa American San Marino Sao Tome & Prin	Italian Lira	2,204.50
Botswana	Pula	1,9110			5.70			01,65
Burkino Faso	Cruzeiro:	647.0 4,002.50 1,0965	Jemaica Japan Jordan	Yen	286.73	Saudi Arabia	Saudi Ryal	3,9245
DOT. Virgin Isles	U.D. 8		Jordan	Jordanian Dinar	0,4550	Senegal	G.F.A. Franc	547.0
Brune L	Brunei ö	2.4805	Kampuchea,	Ris)	N/A	Sierra Leono	a. Rupes Leone	8.90(sg) (D)2.73
Bulgaria ,	Kvat	1,1656 9657.1	Kenya	Kenya Shilling	17.81	Singapore	Singapore #	2.4805
Brune L Bulgaria Burma Burundi	Burundi Franc	140,610	Kenye	Australian 5	1,4510 1,67(II)	Somali Republic	Solomon is, 5 Somali Shilling	2.4805 1.6337 28.0090
Oamamon.	C.F.A. France	- 547.0	Korea (Sth)	Won	0.2859	South Africa	Rand	D.0660
Canada	Canadian \$	· 547.0 1,4655 107.60			0,6678	Spanish ports in	Peseta,	197.65
Canary Islands	Spanish Pessta	107.60	Laos	New Kip	38.3770	Spanish ports in North Africa Sri Lanka Sudan Republic Ourinam Swaziland	Peseta	127.65
Carman Islands	Cay. is. 8	98,64 0,8138 547.0	Lebanon	Lebanese &	10.8845 2,0660	Sri Lanka	S. L. Rupee Suden & In	28.86 1,4420
Cent. Afr. Republic	C.F.A. Franc	547.0	Liberta	Liberian 6	1,0965 0,3245 3,0650	Ourinam	S. Gulidor	1,9686 2,0660
Chile	Chileen Peso	547.0 140.40	Libya	Libyan Dinar	0.8248	Swedon	Lilangeni S. Konne	2.0660 10.1660
China	Renrainbl Yuan	3.1033 (F) 126,60	Luxembourg	Lux Franc	71,00	Switzerland		e_0650
Camaroon	C.F.A. Franc	547.0	Macao	Parkers.	8 9650	Syria	Syrian £	I(A) (T) 0,0 I(CM) 4,3035
Conge (Brazzvijle).	C.F.A. Franc	547,0	Madeira	Portug'se Escudo	200.0 700,40	Taiwan	New Tokens E	43,32
Costa Rica	Colon	(U) 52,10 1,005 0,700	Malagasy Republic	MD Franc	700,40 1,7555	Tanzania	Tan. Ohiking	20.95
Costa Rica Cuba Cyprus	Guban Peso Ovorus &	0.700	Maissia	Ringgit	2.8010	Trialland	Baht C.F.A. Franc	30.97 547,0
		( (core) 7.90	Maldim laterate	D. Sheep	8,2785	Tarwan Tanzania Thailand Thailand Togo Republic Tonga Islands Trinidad Turiks Turiks & Galoos Turiks & Turiks	Palanga	1.4610
Czae hoslovalda	Koruna	n/c 13,8430 (10,475(9)	Mail Republic	G.F.A. Franc	547.0	Trinidad	Trinidad & Tob \$	6.6313
Denmark Dilbouti	Danish Kroner	18,7950	Maita	Maitese £	0,54 10.94	Turkey	Turkish Lire	0.9650( sg) 509.34
Dilbouti	Dibouti Franc	190.0 2.98	Mauretania	Crioniae	74,20	Turks & Caloos	U.S. 8	1.0965
Gerainican Repub.		(O) 1,0965 (5,2695  7)	Maldive Islands Mali Republio Martinique Marrinique Mauritius	M. Rupse	17.87			1.431D
		(5,2895  7) (1D) 73,78	Mexico	Mexican Pesto	74.20 17.87 (F) 256.70 (C) 215.25	Uganda	Uganda Shilling	602,50
Ecuador	Suora	(F) 183,56	Miquelon	Local Franc	10.94 10,94	United States	U.S. Dollar	1.0966
Egypt	Egyptian &	0.9163(4) 1.3248 (8) (0)2.7465	Miquelon Monaco Monaco Monaco Monaco Monaco Monacorrat Morocoo Mozambique Mazmibia Mozambique Mozam	French Franc Turafik	4.50 (10	Uruguay Utd.Arab Emirates	Uruguay Peso	85.43
Ei Salvador	Colon	(0) 2.7465	Montserrat	E. Caribbean ē	2,98 10,65 (sg)	U.S.S.R. PROCES	Roubia	4.0230 0.98177
		(F) 4.44 (P) 390.50	Mozambique	Dirnam Metical	(A) 48.88		-	
Equetorial Guinea. Ethiopia	Ethopian Birr	2.2550	Namibia	S.A. Rand	(A) 48,88 0.0660	Vanuatu	Vallen I ira	117.70
Cuthians Injanda	Felldand in 8	1.0	Nepal	Australian Dollar	1,4510 18.48			2,304,60 (  4  4.73    0  8.29
Farce islands Piji islands Pinland	Davies Propor	12,7950 1,2803	Netherlands	Gailder	18.48 4.0675 1,9620	Venezaela	POLYAT	) (0) 8.29 { (6) 14.69
Finland	Markka	7.4990	NetherlandAntilles	Antillian Guilder	1,9620 2,4140			((0) 14.09
France	French Franc	10.94	Nicethern	Adele	((F)219.40	Vietnam Virgin Island U.S	Dong	(0) 11,85
French C'ty in Af French Dulana	C.F.A. Franc	547.0	Most Country	CONTODA	(0)10.97 547.0 1.185091(sg)	איישות מושחם ע.\$	ora Domal	1,0900
French Dulana	Local Franc	10,94	Niger Republic	G.F.A. Franc Maira	1.125091(80)	Western Samoa	Sarecen Tele	(A) 2,4550
French Paolfic is Gabon	G.F.P. Franc	190.0 547.0	Nigeria	Norwegian Krone	3D 8950 .			
Cambia	States	5.00	Dman Sul'ate of	Riai Omani	0,3765 16,90	Yemen (Nth),	Ryal	6.47(sg)
Dermany (East)	Cetmark	3.5923	Pariame	rakistan Kupes Baihos	1,0965	Yemen (Nth) Yemen (Sth) Yugosizvia	a. remen pinar New Y Bloor	0,3386 <b>85</b> 3,7638
Ghana	Ostmark Deutsche Mark Cedi	8,5998 00,2150	Papua N. Guinea	Kina.	1.0868			
Gibraltar Greece	Gibraite <i>r</i> £	1.0			063.28(10) 485.01(7)	Zaire Republio Zambia Zirebabwe	Zaire	48,2945
Grasça	Drachma	146,125	Paraguay	CASTALLI	( 859.07(12)	Zimbahwa	rweonz Zirebahwe S	2,50 1,7150
		•	•					-1-246

\*Rate is the transfer market (controlled). ## Now one official rate. (#) Based on gross rates against Reselan reable. (1) Essential goods. (2) Preferential rate for public sector debt and essential imports. (5) Preferential rate. (6) Free rate for public sector debt and essential imports. (5) Preferential rate. (6) Free rate for luxury imports. remittances of money abroad and foreign travel. (7) Parellel rate. (8) Rate for remittances of fereign currency by Egyptians working abroad and tourists. (9) Sanknete rates. (10) Rate for experts. (12) Rate for imports. (13) Essential imports. (14) Nearly ell business transactions. † Correction: Argantine Pese rate for February 4 was 250.84.

4.08 .19.71 11.91

Feb 7

Stocks 7:radad 2:281,509 2,185,200 2,185,200 4. 1,558,000 1,472,008 458 Declars 1,984

High

105.39 (8/2/85)

3.00p.m. Price 45%: 133%: 21 78 45%:

85.13 (24/7)

Feb 5

Feb 7

2,168.8° 2,182.5° 2,183.4° 2,179.2° 2524.4° (12/1/84) 2,598.4° 2,812.5° 2,528.8° 2,514.5° 2528.6° (7/2/85)

3.76 13.48 11.54

Feb 8

Change es Day + Vs - 1Vs + Vs - Vs - Vs

Feb. 7

2,027 1,103 549 375

3.43p.m Price 167/e 78%, 37% 45% 23%

1841.2 (25/7) 2079.7 (34/7)

Feb 8

. 2,01 T 804 894 418

Stocks Traded 1,351,463 1,171,250 1,147,808 959,780 908,408

NORWAY Oslo SE (4/1/SE)

SINGAPORE Straits Times (1899) SOUTH AFRICA Gold (1896) Industrial (1968)

SPAIN Madrid 8E (29/19/:4)

The list shows the 200 latest international bond issues for which an adequate secondary market exists. To +8% 8 11.22 +8% +8% 11.78 +8% +8% 11.79 | 102% | 103% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | 109% | There are an expensive and the series of the Apacacts 3 89
Feature 34 88
Fejitus 3 99
Hornets Matter 814 88
Hornets Matter 814 88
Marshi 31/2 89
Mirashi Mi STRAIGHTS
Aures Int'l 8Vs 51......
Asian Day Bunk 8 84.....
Asstria, Rayable 74x 94...
Buster Transpol 74x 94...
Craft Material 8Vs 94... Did 105sr day
11274-1274 day
11274-1274 day
11274-1274 day
11274-1274 day
1127-1274 day
11274 day
1127 **OVER-THE-COUNTER** 5-16 1 8 85 54 55 54 45 55 55 28 28 18 18 2 Public Alba
Public Identification of the control of the Continued from Page 32 48 LDBrik
LIN
LSI Log
LTX
LaFeto 6
LaZ By
Ladfin
Laider
Landri
Landri 35 2 470 517 4 40 21 12 55 2771 2122 19 40 15 4 684 1 415 26 6 6 19 36 14 70 75 19 18 GrayCo GillAFd GWFSB GBoyCs GreenT GwinFd Gwch Gulfrd GTBdc GillAuc Gull STATISTE SENSE STATISTS లినలిన్ని మాల్లికి అక్కువ సాత్రికి స్ట్రికి స్ట్టికి స్ట్రికి స్ట్ 110 103 135 114 3 170 25 2094 1 7733 54 18 11 42 18 40 25 17 41 51 55 42 51 55 42 51 外代多数在收入了 好好有情况好的 我就是什么 Lesicon
Lesiche
Lesiche
Lesiche
Lesiche
Leniche
Leniche
Leniche
Leniche
Leciche
Lecich FIGOR FOOTH AND THE STATE OF TH Intelly Intelled Inte MITTON
MI Principle
Profice
Prof 医发生计划的 化对邻苯基苯基甲酚 计多数分析 医多数分离 经通过的过去式与过去分词 77 777 .60 .016 1.40 .08 1.40 .354 1.20 .48 .20 .48 80 A0 1 1.80 1.20 60 A0 1 1.80 A0 1 \*\*\*\*\*\*\*\*\* \*\* 4 \* \*\*\*\*\*\* 4 \*\*\* 483 11 40 135 75 91 34 1911 77 42 82 79 74 74 75 111 56 113 86 123 55 55 210451652424531142565328433 44 444 energen in ander a J-194 St. 200 200 74 185 583 279 200 21 8 179 51 385 1972 3772 1974 3472 774 1876 +1+4-4 NGA Op NG 5.7 10.2 24.4 46.13 11.77 5.53 5.6 1.7 5.53 27 10.3 24.25 5.4 12.5 5.4 1 5.5 25 1 5.5 27 1 5.5 24.4 26.5 27 1 5.5 27 10.3 24.5 5.5 12.5 5.4 12.5 5.5 25 1 5.5 27 1 5. # 7#11 968 44 1.90 3.70 40a 24 44 70a .84 .20 .00 **Indices** \*\*\*\*\* \*\*\*\*\* ,44 NEW YORK-DOW JUNES Feb B High Low .150 .090 1,44 1,26 20 .80 .1 .08 .250 .92 .129 1888.57 1282.52 41.22 (247) 1297.69 (277.52) 444.83 525.11 12.32 (257) (577.55) (877.52) 181.50 191.50 191.4053 (2874.63) 444.83 (25/7) \*\*\*\*\*\*\* -40s 56 56 40 12s 14 .80 2.18 .01 bal Div Yield 94 4.55 Feb 6 High Law 203.80 3.62 48/2/85 38/8/32 

# CAPITAL MARKETS

# **UBS** leads Nestlé market debut with \$100m offering

company's U.S. subsidiary, and was

and 9% per cent coupon with a par issue price. It is not to be listed on any stock exchange, though a sec-ondary market will be maintained in the bonds in the bonds.

Despite the tight terms, strong demand for the issue, Nestle's first

Eurobond, was seen from Switzerland, and the bonds were bid at a % per cent discount to the issue price, well inside the % per cent selling concession. UBS lined up five co-The other issue, for Nabisco, the

U.S. food company, did not trade acat a 10% per cent coupon for a fiveyear life and par issue price. Fees

quiet yesterday, and prices rose issues are still trading outside com-

Previou 101.354 101.217 1984/85

leaga pislea pblic

ppi raids

- C 3 T

TE (2'4').

Son with

TO THE

المنظمة عند المنظمة المنظمة المنظمة .H. W. ....

55.50 ± 1.

ikko sen

age es

**Enister** o

beiten Deie

TES 155 ET. 60

English

leagan p

Table College State Andreas Plad of give State of the

ing Hospein pic and dra-pice and dra-pice with Pi and retire of the section of the section of

Springer

S.G. Warburg, with Schroder as co-lead, broke new ground in the

Meanwhile the trading level for low D-Mark bonds fell by up to % UBS's \$300m Rockwell issue, point, as investors steered clear of launched last Friday, was moving the market Swiss francissues were up to be hid at a 2-point discount to lower by % point to % point. ITT's

#### Borrowers' payments keep market rolling BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT,

Samon System Samon Standard Spania Samon Standard Spania Spa

++--

+4+4+4+44444

OCIG To Oat-HI Cold-HI Cold-HI Cold-HI Cold-HI Cold-HI Cold-HI S Cold-HI Cold-HI S Cold-HI Cold-

5454 \$35545565555555555565445

bond market should rise to about ers in the Eurobond market as re-\$37.1hm this year from \$34.6bm in 1984, according to a study by Orion in that month at \$4.6bn.; Royal Bank. It said the timing of payment re-

flows could help forecast the mar- for povested in the Eurobond market.

The volume of reflows, which were expected to rise to \$51.5bn in 1989, suggested the Eurobond market had acquired a self-sustaining. momentum. This year's total com-pered with a new issue volume of would be reflected in a surge in pared with a new issue volume of \$66.1bm in 1984.

INTEREST AND principal repay Orion's figures suggest May ments by borrowers in the Euro-should be a good month for borrowflows from existing issues will peak

Orion warned that while this ket's ability to absorb new issues as might not all flow to bonds in the experience showed a significant same currency sector. Interest pay-

up 68 per cent of this year's reflows.

Tuh/id
Tolson
Thoric
Th 外の間の方式を2000年2000年100円に関いていません。 新聞の名が、1920年2000年100円に関いては、1940年10日本の1950年1 + + + + + 1.43106.17.345206.25.75.10.20.10.17.16.10.17.34.47.17.10.25.13.17.72.26.5.26.77.7.5 4.34.7.17.10.25.4.20.14.16.20.14.20 4 444 44444 44 4 特本 大學 USILICO
UTL
UMTSP
UMTSP 1.18 1.20 1.06 1.55 

is note: Sale of the part of t